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MAY 7. AFFAIRS 110

The Commonwealth of Massachusetts

Office of the Comptroller

One Ashburton Place

Boston, Massachusetts 02108

WILLIAM KILMARTIN
COMPTROLLER

Phone (617) 727-5000
FAX (617) 727-2163

40044647
(Serial)?

MEMORANDUM

TO: Distribution

FROM: WLC William Kilmartin, Comptroller
LAK Leslie Kirwan, Chief of Staff Executive Office for Administration and Finance

DATE: January 31, 1996

SUBJECT: Mid-Year Status Report of Non tax Revenue Optimization Activities

GOVERNMENT DOCUMENTS COLLECTION

FEB 02 1999

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Enclosed for your review is a copy of the mid-year status report of nontax revenue optimization activities that we forwarded to the House and Senate Ways and Means Committees. The report contains information on the nontax revenue campaign conducted during the first half of FY96.

We would be pleased to meet with yourself or your designee at your convenience to review the report and discuss future plans.

The Commonwealth of Massachusetts

Office of the Comptroller

One Ashburton Place

Boston, Massachusetts 02108

WILLIAM KILMARTIN
COMPTROLLER

Phone (617) 727-5000

FAX (617) 727-2163

January 31, 1996

The Honorable Stanley C. Rosenberg, Chairman
Senate Ways and Means
The State House, Room 212
Boston, MA 02133

Dear Chairman Rosenberg:

The purpose of this correspondence is to provide a mid year status report of nontax revenue optimization activities as authorized and directed by section 309 of the FY96 budget. As specified in section 309, the Executive Office for Administration and Finance provides leadership to the nontax revenue optimization campaign, with support and reporting by the Office of the Comptroller. Thus please consider this a joint report by Administration and Finance and the Comptroller.

The information which follows is presented in three ways

- a narrative of activities, developments, and issues that chronicles the FY96 nontax revenue optimization campaign.
- a chart that quantifies individual projects, with data for each project on the revenue base, the optimized revenues, fees to vendors, and related details.
- a compilation of guidance memos and documents pertaining to the overall management of the FY96 efforts

It is our opinion that the prospect for the FY96 nontax revenue optimization campaign to meet or exceed the $20M statewide goal is excellent.

We would be pleased to meet with yourself or your designee to further review the FY96 activities, and possibilities for FY97, at your convenience.

Sincerely,

William Kilmartin
Comptroller

Leslie Kirwan, Chief of Staff of Executive
Office for Administration and Finance

The Commonwealth of Massachusetts

Office of the Comptroller

One Ashburton Place

Boston, Massachusetts 02108

WILLIAM KILMARTIN
COMPTROLLER

Phone (617) 727-5000

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January 31, 1996

The Honorable Thomas Finneran, Chairman
House Ways and Means
The State House, Room 243
Boston, MA 02133

Dear Chairman Finneran:

The purpose of this correspondence is to provide a mid year status report of nontax revenue optimization activities as authorized and directed by section 309 of the FY96 budget. As specified in section 309, the Executive Office for Administration and Finance provides leadership to the nontax revenue optimization campaign, with support and reporting by the Office of the Comptroller. Thus please consider this a joint report by Administration and Finance and the Comptroller.

The information which follows is presented in three ways

- a narrative of activities, developments, and issues that chronicles the FY96 nontax revenue optimization campaign.
- a chart that quantifies individual projects, with data for each project on the revenue base, the optimized revenues, fees to vendors, and related details.
- a compilation of guidance memos and documents pertaining to the overall management of the FY96 efforts

It is our opinion that the prospect for the FY96 nontax revenue optimization campaign to meet or exceed the $20M statewide goal is excellent.

We would be pleased to meet with yourself or your designee to further review the FY96 activities, and possibilities for FY97, at your convenience.

Sincerely,

William Kilmartin
Comptroller

Leslie Kirwan, Chief of Staff of Executive
Office for Administration and Finance

NARRATIVE

NARRATIVE

FY 96 Nontax Revenue Optimization Campaign

The FY96 nontax revenue optimization campaign has built upon and enhanced prior work to increase nontax revenue.

In FY90 the Commonwealth enacted section 29D and 29E to chapter 29 of the Massachusetts General Laws, authorizing and directing the Office of the Comptroller to promote and improve nontax revenue management in the departments of state government. In the intervening years, several additional statutes in General Law, several appropriation acts, and capital outlay acts, have provided further guidance and resources to this purpose. As a result, many things have happened. For example, a complete nontax revenue subsystem to the statewide accounting system was designed and implemented, the so called Billing and Accounts Receivable System, or BARS. Numerous "rev max" projects were sponsored and completed, several with contingent fee vendor contracts. Outside debt collection firms have been retained, to help collect delinquent accounts receivable, and revenue budgeting and accounting practices have become more sophisticated, including disclosure of the full revenue budget in the General Appropriations Act.

In FY95 the Secretary of the Executive Office for Administration and Finance decided that an escalated level of effort was merited, and the Administration's proposed FY96 Budget (House #1) included outside sections and increased revenue estimates associated with a "nontax revenue optimization campaign". While the Legislature was reviewing this FY96 proposal, in late FY95 a group of departments pooled existing budgeted resources in an Interdepartmental Service Agreement, and selected through an RFP the firms of Andersen Consulting and Public Consulting Group to complete nontax revenue opportunity evaluations and feasibility reports.

As of July 1, 1995, the beginning of FY96, the Legislature enacted section 309 of the FY96 budget, while authorizing with some modification the proposal for the FY96 nontax revenue optimization campaign. Also the opportunity evaluation and feasibility reports from the consultants were completed. Thus the stage was set for the escalated level of effort.

On July 8 the Secretary of the Executive Office for Administration and Finance created a Task Force composed of managers and staff from A&F itself, the Comptroller's Office, the Budget Bureau, and the Office of Management and Information Systems. The charge to this Task Force, chaired by the Chief of Staff of Administration and Finance, is to make the promise of the FY96 nontax revenue optimization campaign a reality.

The Task Force immediately commenced a number of activities which were accomplished in July and August. One task was to evaluate the consultant reports, and prioritize and target efforts to projects considered most likely to yield results in FY96. A second task

was to create information and guidance materials for department revenue managers. This included several projects such as model Interdepartmental Service Agreements, model consultant contracts, and guidance to interpret and implement the contingent fee and department incentive aspects of section 309. A third task was to define and coordinate previously started revenue base and revenue optimization (per section 29E chapter 29) numbers and activities from new (section 309) revenue optimization potential.

In September this body of information was reviewed and discussed by the Task Force with the relevant departments. The month was full of meetings as plans and proposals were refined, interdepartmental alliances forged, and contracts or contract amendments created with vendors. Because of potential changes in the federal budget, projects were prioritized to optimize programs of federal financial participation. These projects are frequently referred to as the "first wave" of the FY96 nontax revenue optimization campaign.

By the end of September/early October, specific actions (such as notice of additional claims) were filed with the federal government. Detail work by department staff and the vendors, under the general supervision of the Task Force, continue in the November-December-January time frame. Because of the complex procedural steps, there is extensive elapse time between the completion of project work, filing of claims, and actual receipt of FFP. While each activity and project must be executed and evaluated on an individual basis, it is expected that several projects will result in receipt of FFP, before the end of FY96. Work on the list of projects related to FFP, launched in late September/early October, will continue through the balance of FY96 (and if necessary into FY97). There are 22 projects on this list, with optimized revenue potential of $161M. The details of these projects is displayed on the companion chart.

Simultaneously with the FFP oriented projects, the Task Force reviewed and discussed with relevant departments other revenue optimization projects. While this work started in September, because the deadline of potential federal budget changes was not a factor, these projects have been pursued as a "second wave" of activity. Through the timeframe of October-November-December-January plans and proposals have been refined, interdepartmental alliances forged, contracts or contract amendments with vendors created, and other necessary actions (for example law changes) undertaken. The list of projects in this "second wave" will continue to be worked on, under the general supervision of the Task Force, through the balance of FY96 (and if necessary into FY97. There are 33 projects on this list, with optimized revenue potential of $24M. Again details of this second wave of projects is displayed on the companion chart.

A "third wave" of activity relates to two Commonwealth wide, as contrasted to department specific, projects. Using BARS as a foundation, a special project was implemented to match overdue tax and nontax receivables to scheduled payments to vendors, and perform an "intercept" accordingly. All departments participate and obtain optimized revenue through this automated function. The second project is the engagement in a Commonwealth wide master service agreement of private debt collector

firms. Individual departments may refer delinquent accounts receivable to any of these firms. If monies are collected, the firms are paid a portion on a contingent fee basis and the balance is optimized revenue.

To summarize, in excess of 50 projects with over $180M in revenue optimization potential have been identified and are in various stages of completion. From this agenda it is likely that at least $20M, the FY96 goal, will be realized in actual receipts prior to June 30, 1996.

Other Developments and Considerations

While executing implementation of projects has been the main focus of the Task Force for the past six months, some collateral considerations have also materialized, and are presented in this mid year status report.

The delays in the enactment of the Federal Budget have had an effect on the nontax revenue optimization campaign. Routine, baseline, programs of FFP have become problems because of delays in federal grant awards and the absence of federal employees. Management attention at both the state and federal levels that would otherwise be directed to revenue optimization has been directed to these baseline operations. Since the Commonwealth performance is the bottom line, both baseline and optimized revenue, the Task Force has expanded its agenda and devoted its time accordingly.

In the implementation of section 309 it has become apparent that some provisions tend to complicate revenue optimization efforts. For example, there is a complicated set of baseline revenue "tests", which include a six year test and a current year department test. In some cases, these tests can be inconsistent, resulting in an impractical base. For example, the six year test would unintentionally penalize a department that realizes declining baseline revenues due to a drop in caseloads and federally reimbursable spending. As another example, the $5M "pool" of funds available for allocation to departments is intended to be an incentive for agencies to participate in the revenue optimization campaign. However, because the incentive pool is capped in aggregate at $5M, some of the intended incentive diminishes as departments are unable to anticipate incentive amounts that are based on their own individual levels of effort and project success. In addition, since the amount of actual optimized revenue may well exceed the cap, an unintended complication arises to figure out how to equitably distribute incentives.

The Administration's proposed budget for FY97, (House #1A) contains section 27 that re-authorizes another nontax revenue optimization campaign. The Administration's proposed section 27 modifies section 309, with the view that lessons learned and success accomplished in FY96 can be the basis for further refinements and continued success in FY97.

Summary Report

Revenue
Unit
Report
Commonwealth of Massachusetts

RevOpt Projec. Status Summary

Report Date: 1/31/96

Total Number of Projects in Report: 62

Total Projected Revenue in Report: $184,746,366.00

Status
1-Active Projects
2-Pending Projects
3-Statewide Projects

Stat	#	Dept	Description	Support Depts	FAD FY96 Revenue Base	Projected Revenue	RFP/Vendor	Actual FY96 Vend Pay	Actual FY96 Incentive A1599 acct	Actual Revenue Collected*	Comment
1	6	DMH	Increase Payment Rates for Rehabilitation	DMA	19,376,434	26,680,000	Andersen	0	0	0	See Attached
1	7	DMH	Retro Billing for suspended Medicaid Services Provided through DMH	DMA	29,609,055	960,000	Andersen	0	0	0	See Attached
1	8	DMH	Converting Patients from Free Care to Medicaid	DMA	0	800,525	Andersen	0	0	0	See Attached
1	9	DMH	Recoup DMH Payments to private hospitals for services which are Medicaid eligible.	DMA	0	384,625	Andersen	0	0	0	See Attached
1	10	DMH	Submitting Retro Claims Under Emergency Services/Backbilling for DEPs	DMA	0	4,888,500	Andersen	0	0	0	See Attached
1	17	DMR	H&CBS Waiver Expansion for Additional Services(15 Mos)	DMA	122,600,000	3,335,630	Not Required	0	0	0	See Attached
1	18	DMR	Waiver H&CBS For Additional Services - Retro (600 Slots)	DMA	122,600,000	10,404,275	Not Required	0	0	0	See Attached
1	19	DMR	Retro Targeted Case Management	DMA	24,472,307	979,814		0	0	0	See Attached
1	26	DMR	Obtaining Medicaid FFP through Waiver with MCB	DMA	122,600,000	13,601,828		0	0	0	See Attached
1	27	DMS	Uncompensated Care	DMA		16,165,000	UMASS/McCormack	0	0	0	See Attached
1	37	DPH	EPSTD Smoking Prevention	DMA	0	4,355,017		0	0	0	See Attached
1	38	DPH	Public Health Hospital Rates	DMA	52,174,483	7,810,855		0	0	0	See Attached

Stat	#	Dept	Description	Support Depts	FAD FY96 Revenue Base	Projected Revenue	RFP/Vendor	Actual FY96 Vend Pay	Actual FY96 Incentive A1599 acct	Actual Revenue Collected*	Comment
1	39	DPH	Obtaining Medicaid on DPH Services	DMA	0	1,732,685		0	0	0	See Attached
1	44	DSS	Medicaid Targeted Case Management for DSS	DMA	0	21,321,671	Public Consulting Group	0	0	0	See Attached
1	46	DSS	Incorporated project number: 45 - 130 - 16 Medicaid Rehabilitation	DMA	950,000	4,040,693	Public Consulting Group	0	0	0	See Attached
1	48	WEL	Aid To Families With Dependent Children Program Emergency Assistance Payments			33,089,702	Public Consulting Group	0	0	0	See Attached
1	49	WEL	Aid To Families With Dependent Children Program Child Care(FMAP Rate)			2,419,920	Public Consulting Group	0	0	0	See Attached
1	51	ELD	2178 Waiver Resubmission	DMA		338,235	UMASS/McCormack	0	0	0	See Attached
1	52	ELD	Admin Case Management Resubmissions	DMA		1,969,061	UMASS/McCormack	0	0	0	See Attached
1	53	ELD	Coordination of Care Rate Adjustments	DMA		404,889	UMASS/McCormack	0	0	0	See Attached
1	54	ELD	Admin Case Management Rate Adjustments	DMA		23,863	UMASS/McCormack	0	0	0	See Attached
1	77	DMA	Municipal Medicaid	UMS		4,900,609	UMASS/McCormack	0	0	0	See Attached
Total for Project Status: 1						**160,607,397**		**0**	**0**	**0**	

Stat	#	Dept	Description	Support Depts	FAD FY96 Revenue Base	Projected Revenue	RFP/Vendor	Actual FY96 Vend Pay	Actual FY96 Incentive A1599 acct	Actual Revenue Collected*	Comment
2	1	DEM	Marketing Recreational and Eco Tourism Opportunities			1,000,000		0	0	0	
2	2	DEM	Fee increase at State parks that have increased services.					0	0	0	
2	3	DEP	Electronic Permit Filing			3,000		0	0	0	
2	4	DEP	Access to DEP Regulatory Information			37,500		0	0	0	
2	11	DMH	Obtaining Title IV FFP for DMH Services	WEL		165,750		0	0	0	
2	12	DMH	Obtaining Medicaid FFP on DMH Family Planning Services	DMA		3,378,240		0	0	0	
2	16	DMH	Obtaining Medicaid FFP on DMH Administrative Costs	DMA		1,000,000		0	0	0	
2	20	DMR	Obtaining Medicaid FFP on DMR Family Planning Services	DMA		1,860,000		0	0	0	
2	21	DMR	Accelerated Federal Claiming for DMR Services	DMA		1,700,000		0	0	0	
2	22	DMR	Increase Medicaid Eligibility Rates in DMR Programs	DMA		1,147,500		0	0	0	
2	23	DMR	Increase Payment Rate for Non-Institutional Services	DMA		510,000		0	0	0	
2	25	DMR	Obtaining Medicaid FFP on DMR Administrative Costs	DMA		389,340		0	0	0	
2	28	DMS	Reimbursement for Administrative Expense	DMA		142,500		0	0	0	
2	29	DOE	Access E.A. for Sp. Ed. Services			1,800,000		0	0	0	
2	30	DOE	Increase Chapter I Education Funding			0		0	0	0	

Stat	#	Dept	Description	Support Depts	FAD FY96 Revenue Base	Projected Revenue	RFP/Vendor	Actual FY96 Vend Pay	Actual FY96 Incentive A1599 acct	Actual Revenue Collected*	Comment
2	31	DOE	Obtaining Reimbursements Under the School Lunch Program			0		0	0	0	
2	32	DOE	Obtaining Reimbursement for Non-Sp. Ed. School Health Services	DMA		0		0	0	0	
2	33	DOR	Interagency Household Income Data Base			540,000		0	0	0	
2	34	DOR	Expanded Child Support Enforcement			396,000		0	0	0	
2	41	DPH	Increase Medicaid Eligibility Rates in DPH Hospitals	DMA		318,750		0	0	0	
2	42	DPH	Preparing Retroactive Claims to DMA for DPH Hospital Services	DMA		487,500		0	0	0	
2	43	DPH	Obtaining Medicaid FFP on DPH Administrative Costs	DMA		540,000		0	0	0	
2	47	DSS	Title IV-A Emergency Assistance Expansion for DSS	WEL		1,632,000		0	0	0	
2	50	DYS	DYS Federal Reimbursement Expansion	WEL		3,810,000		0	0	0	
2	55	ELD	Reimbursement for Administrative Costs	DMA		380,880		0	0	0	
2	56	ELD	I.D. of Client Eligibility for Home & Community Based Services	DMA		583,200		0	0	0	
2	57	ELD	Accurate Accounting of Medicaid Eligible Clients Served by Home Care Corp.	DMA		600,000		0	0	0	
2	58	MDC	Concession and Merchandising Opportunities			540,000		0	0	0	
2	59	CDA	Use of Tower Antennae Space	EPS		810,000		0	0	0	
2	62	SCA	Subscription Services	REG		43,200		0	0	0	

Stat	#	Dept	Description	Support Depts	FAD FY96 Revenue Base	Projected Revenue	RFP/Vendor	Actual FY96 Vend Pay	Actual FY96 Incentive A1599 acct	Actual Revenue Collected*	Comment
2	63	SCA	List Management	REG		3,000		0	0	0	
2	64	SCA	On-Line Access, Fax Back, Voice Link, Imaging	REG		200,000		0	0	0	
2	65	SEC	Imaging/Electronic Filing			120,609		0	0	0	
Total for Project Status: 2						**24,138,969**		**0**	**0**	**0**	

Stat	#	Dept	Description	Support Depts	FAD FY96 Revenue Base	Projected Revenue	RFP/Vendor	Actual FY96 Vend Pay	Actual FY96 Incentive A1599 acct	Actual Revenue Collected*	Comment
3	70		Intercept of Commonwealth Payments to Relieve Delinquent Receivables				N/A	0	0	687,526	See Attached
3	71		Debt Collection			0	Allen Daniel Associates	25,069	0	111,146	See Attached
3	72		Debt Collection			0	Collection Company of America	33,315	0	75,592	See Attached
3	73		Debt Collection			0	Credit Control Services	30,904	0	698,584	See Attached
3	74		Debt Collection			0	Financial Collection Agencies	851	0	2,261	See Attached
3	75		Debt Collection			0	Payco American Corporation	16,165	0	50,875	See Attached
3	76		Debt Collection			0	Walker Associates	41	0	301	See Attached
		Total for Project Status: 3				**0**		**106,345**	**0**	**1,626,286**	

Stat	#	Dept	Description	Support Depts	FAD FY96 Revenue Base	Projected Revenue	RFP/Vendor	Actual FY96 Vend Pay	Actual FY96 Incentive A1599 acct	Actual Revenue Collected*	Comment
Grand Total for Project Summary Report:						184,746,366		106,345	0	1,626,286	

Detail Report

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

DEPARTMENT OF MENTAL HEALTH

Project#: 6 New -

Description: Increase Payment Rates for Rehabilitation - Title XIX

Projected Rev: $26,680,000.00

Base Measurement Data:

Revenue Stream Analysis

(Vendor Payments)

Description: This revenue stream consists of MMARS RSRC 5239 and 5261 minus IRTP

6 Year Revenue Test:	21,599,122.00
FY 96 Revenue Estimate Test :	19,376,434.00
Base Revenue :	**21,599,122.00**

Department Analysis

(Incentive Payments)

CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	**56,386,482.00**

Comments

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Signature — DATE 1/30/96

DEPARTMENT OF MENTAL HEALTH

Budget Bureau Signature — DATE 1/30/96

Pam MacLeod

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMH DEPARTMENT OF MENTAL HEALTH
Project#: 6 **Reference #:** New
Description: Increase Payment Rates for Rehabilitation - Title XIX
Projected Rev: $26,680,000.00
RFP/Vendor: Andersen
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	0.00
FY91:	9,607,746.00
FY92:	17,978,884.00
FY93:	20,887,403.00
FY94:	21,138,126.00
FY95:	21,599,122.00

MMARS RSRC: This revenue stream consists of MMARS RSRC 5239 and 5261 minus IRTP

	Total by Dept Revenue Stream
6 Year Revenue Test:	21,599,122.00
FY 96 Revenue Estimate Test :	19,376,434.00
Base Revenue :	21,599,122.00

FY 96 Revenue Estimate:	19,376,434.00
Project Revenue:	26,680,000.00
Associated Revenue Stream:	0.00
Total:	46,056,434.00
Base Revenue:	21,599,122.00
Difference:	**24,457,312.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	56,386,482.00

FY 96 Revenue Estimate:	52,910,286.00
Dept Rev Opt Project Revenue:	33,713,650.00
Total:	86,623,936.00
Base Revenue:	56,386,482.00
Difference:	**30,237,454.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

DEPARTMENT OF MENTAL HEALTH

Project#: 7 072 - 07

Description: Retro Billing for suspended Medicaid Services Provided through DMH - Title XIX

Projected Rev: $960,000.00

Base Measurement Data:

Revenue Stream Analysis

(Vendor Payments)

Description: This revenue stream consists of MMARS RSRC 5239, 5261 minus IRTP, and 5247.

6 Year Revenue Test:	32,088,743.00
FY 96 Revenue Estimate Test :	29,609,055.00
Base Revenue :	**32,088,743.00**

Department Analysis

(Incentive Payments)

CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	**56,386,482.00**

Comments

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Michele M. Jordy — Signature — 1/30/96 — DATE

DEPARTMENT OF MENTAL HEALTH

Budget Bureau Pamela MacLeod — Signature — 1/30/96 — DATE

Pam MacLeod
Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMH DEPARTMENT OF MENTAL HEALTH
Project#: 7 **Reference #:** 07 - 072
Description: Retro Billing for suspended Medicaid Services Provided through DMH - Title XIX
Projected Rev: $960,000.00
RFP/Vendor: Andersen
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	4,392,747.00
FY91:	23,849,725.00
FY92:	26,604,533.00
FY93:	31,616,679.00
FY94:	31,754,400.00
FY95:	32,088,743.00

MMARS RSRC: This revenue stream consists of MMARS RSRC 5239, 5261 minus IRTP, and 5247.

	Total by Dept Revenue Stream
6 Year Revenue Test:	32,088,743.00
FY 96 Revenue Estimate Test :	29,609,055.00
Base Revenue :	32,088,743.00

FY 96 Revenue Estimate:	29,609,055.00
Project Revenue:	960,000.00
Associated Revenue Stream:	26,680,000.00
Total:	57,249,055.00
Base Revenue:	32,088,743.00
Difference:	**25,160,312.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	56,386,482.00

FY 96 Revenue Estimate:	52,910,286.00
Dept Rev Opt Project Revenue:	33,713,650.00
Total:	86,623,936.00
Base Revenue:	56,386,482.00
Difference:	**30,237,454.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

DEPARTMENT OF MENTAL HEALTH

Project#: 8 073 - 07

Description: Converting Patients from Free Care to Medicaid - Title XIX

Projected Rev: $800,525.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description: ZERO BASE			
6 Year Revenue Test:	0.00	CHAPTER 38/ 1-B Test:	56,386,482.00
FY 96 Revenue Estimate Test :	0.00	FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	**0.00**	**Base Revenue :**	**56,386,482.00**

Comments The Department of Medical Security (DMS) administers the "free care pool", a pool of funds available to hospitals to partially cover the cost of providing free health care to patients. The state and private hospitals are required to contribute funds to the free care pool. The hospitals contribute about 75% and the state contributes about 25%. The free care pool reimburses the private hospitals for about 40% of their cost of providing free health care services. At the time that the free care was provided, some patients were Medicaid eligible (and didn't tell the hospital), and some became eligible shortly thereafter (within 3 months). DMH paid hospitals for approximately $1,601,050 of free care services for patients who are now known to be Medicaid eligible. This means that 50% of the $1.6M, or $800,525 can be claimed by DMH as federal reimbursement.

If this project is successful, it will be the first time that DMH collects federal reimbursement revenue for free care expenditures. Accordingly, the revenue base for this project is zero.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

Signature _____ DATE 1/30/96

DEPARTMENT OF MENTAL HEALTH

Budget Bureau

_____ DATE 1/30/96

Pam MacLeod

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS :	1
1-Active Projects	
2-Pending Projects	
3-Statewide Projects	

Dept: DMH DEPARTMENT OF MENTAL HEALTH

Project#: 8 Reference #: 07 - 073

Description: Converting Patients from Free Care to Medicaid - Title XIX

Projected Rev: $800,525.00

RFP/Vendor: Andersen

ISA: No

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	0.00
FY91:	0.00
FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00

MMARS RSRC: ZERO BASE

	Total by Dept Revenue Stream
6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	0.00

FY 96 Revenue Estimate:	0.00
Project Revenue:	800,525.00
Associated Revenue Stream:	0.00
Total:	800,525.00
Base Revenue:	0.00
Difference:	**800,525.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	56,386,482.00

FY 96 Revenue Estimate:	52,910,286.00
Dept Rev Opt Project Revenue:	33,713,650.00
Total:	86,623,936.00
Base Revenue:	56,386,482.00
Difference:	**30,237,454.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

DEPARTMENT OF MENTAL HEALTH

Project#: 9 123 - 07

Description: Recoup DMH Payments to private hospitals for services which are Medicaid eligible. - Title XIX

Projected Rev: $384,625.00

Base Measurement Data:

Revenue Stream Analysis

(Vendor Payments)

Description: ZERO BASE

6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	**0.00**

Department Analysis

(Incentive Payments)

CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	**56,386,482.00**

Comments DMH contracts with private hospitals in the Metro Boston area to provide certain mental health services. The private hospitals bill the Department of Medical Assistance (DMA) for Medicaid reimbursement; and DMA adjudicates these claims for federal reimbursement. The private hospitals collect and keep the federal reimbursement revenue. It is estimated that the private hospitals did not identify 100% of the patients who were Medicaid eligible at the time the services were provided. As a result, DMH has paid for services that should have been covered by Medicaid. DMA will prepare the administrative documentation to support a new FFP amount. The new FFP amount would be enough to cover 50% of DMH's prior expenditures that are now known to be Medicaid reimbursable.

If this project is successful, it will be the first time that DMH collects federal reimbursement revenue for services provided by private hospitals. Accordingly, the revenue base for this project is zero.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Signature — DEPARTMENT OF MENTAL HEALTH — DATE 1/30/96

Budget Bureau Pam MacLeod, Director of Policy Development — DATE 1/30/96

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMH DEPARTMENT OF MENTAL HEALTH
Project#: 9 **Reference #:** 07 - 123
Description: Recoup DMH Payments to private hospitals for services which are Medicaid eligible. - Title XIX
Projected Rev: $384,625.00
RFP/Vendor: Andersen
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	0.00
FY91:	0.00
FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00

MMARS RSRC: ZERO BASE

	Total by Dept Revenue Stream
6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	0.00

FY 96 Revenue Estimate:	0.00
Project Revenue:	384,625.00
Associated Revenue Stream:	0.00
Total:	384,625.00
Base Revenue:	0.00
Difference:	**384,625.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	56,386,482.00

FY 96 Revenue Estimate:	52,910,286.00
Dept Rev Opt Project Revenue:	33,713,650.00
Total:	86,623,936.00
Base Revenue:	56,386,482.00
Difference:	**30,237,454.00**

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Massachusetts

Revenue Optimization Base Revenue Approval Form

DEPARTMENT OF MENTAL HEALTH

Project#: 10 124 - 07

Description: Submitting Retro Claims Under Emergency Services/Backbilling for DEPs - Title XIX

Projected Rev: $4,888,500.00

Base Measurement Data:

Revenue Stream Analysis

(Vendor Payments)

Description: ZERO BASE

6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	**0.00**

Department Analysis

(Incentive Payments)

CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	**56,386,482.00**

Comments DMH contracts with private vendors who administer Designated Emergency Programs (DEP's). The DEPs bill the Department of Medical Assistance (DMA) for Medicaid reimbursements, and DMA adjudicates these claims for federal reimbursement. The DEPs collect and keep the federal reimbursement revenue. DEPs have a poor track record identifying patients who are Medicaid eligible. As a result, DMH has paid for services that should have been covered by Medicaid. DMA will prepare the administrative documentation to support the new FFP amount. The new FFP amount would be enough to cover 50% of DMH's prior expenditures that are now known to be Medicaid reimbursable.

If this project is successful, it will be the first time that DMH collects federal reimbursement revenue for services provided by Designated Emergency Programs. Accordingly, the revenue base for this project is zero.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Signature — DATE 1/30/96

DEPARTMENT OF MENTAL HEALTH

Budget Bureau Signature — DATE 1/30/96

Pam MacLeod

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept: DMH DEPARTMENT OF MENTAL HEALTH

Project#: 10 Reference #: 07 - 124

Description: Submitting Retro Claims Under Emergency Services/Backbilling for DEPs - Title XIX

Projected Rev: $4,888,500.00

RFP/Vendor: Andersen

ISA: No

STATUS : 1

1-Active Projects
2-Pending Projects
3-Statewide Projects

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	0.00
FY91:	0.00
FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00

MMARS RSRC: ZERO BASE

Total by Dept Revenue Stream

6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	0.00

FY 96 Revenue Estimate:	0.00
Project Revenue:	4,888,500.00
Associated Revenue Stream:	0.00
Total:	4,888,500.00
Base Revenue:	0.00
Difference:	**4,888,500.00**

Departmental Revenue Analysis

Total by Department

CHAPTER 38/ 1-B Test:	56,386,482.00
FY96 Revenue Estimate:	52,910,286.00
Base Revenue :	56,386,482.00

FY 96 Revenue Estimate:	52,910,286.00
Dept Rev Opt Project Revenue:	33,713,650.00
Total:	86,623,936.00
Base Revenue:	56,386,482.00
Difference:	**30,237,454.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

DEPT OF MENTAL RETARDATION

Project#: 17 New -

Description: H&CBS Waiver Expansion for Additional Services(15 Mos) - Title XIX

Projected Rev: $3,335,630.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:	5245		
6 Year Revenue Test:	114,787,190.00	CHAPTER 38/ 1-B Test:	277,572,169.00
FY 96 Revenue Estimate Test :	122,600,000.00	FY96 Revenue Estimate:	301,645,865.00
Base Revenue :	**122,600,000.00**	**Base Revenue :**	**301,645,865.00**

Comments Through DMA, DMR obtained a waiver amendment adding to its home and community-based services (H&CBS), supported employment, and family and individual support services. This amendment enabled the Department to claim, for the first time, Medicaid FFP for these services provided during FY1995.

Although DMR has received Medicaid FFP for H&CBS, it has never claimed or received Medicaid FFP for these specific H&CBS.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Joseph F. McDonough — Signature — 1/30/96 DATE

DEPT OF MENTAL RETARDATION

Budget Bureau Pamela MacLeod — Pam MacLeod — 1/30/96 DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMR DEPT OF MENTAL RETARDATION
Project#: 17 **Reference #:** New
Description: H&CBS Waiver Expansion for Additional Services(15 Mos) - Title XIX
Projected Rev: $3,335,630.00
RFP/Vendor: Not Required
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	17,122,625.97
FY91:	9,978,714.00
FY92:	17,376,933.00
FY93:	39,410,930.00
FY94:	114,787,190.00
FY95:	109,789,017.00

MMARS RSRC: 5245

	Total by Dept Revenue Stream
6 Year Revenue Test:	114,787,190.00
FY 96 Revenue Estimate Test :	122,600,000.00
Base Revenue :	122,600,000.00

FY 96 Revenue Estimate:	122,600,000.00
Project Revenue:	3,335,630.00
Associated Revenue Stream:	24,006,103.00
Total:	149,941,733.00
Base Revenue:	122,600,000.00
Difference:	**27,341,733.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	277,572,169.00
FY96 Revenue Estimate:	301,645,865.00
Base Revenue :	301,645,865.00

FY 96 Revenue Estimate:	301,645,865.00
Dept Rev Opt Project Revenue:	28,321,547.00
Total:	329,967,412.00
Base Revenue:	301,645,865.00
Difference:	**28,321,547.00**

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Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF MENTAL RETARDATION**

Project#: 18 New -

Description: Waiver H&CBS For Additional Services - Retro (600 Slots) - Title XIX

Projected Rev: $10,404,275.00

Base Measurement Data:

Revenue Stream Analysis

(Vendor Payments)

Description: 5245

6 Year Revenue Test:	114,787,190.00
FY 96 Revenue Estimate Test :	122,600,000.00
Base Revenue :	**122,600,000.00**

Department Analysis

(Incentive Payments)

CHAPTER 38/ 1-B Test:	277,572,169.00
FY 96 Revenue	301,645,865.00
Base Revenue :	**301,645,865.00**

Comments: In FY1995, DMR provided home and community-based services (H&CBS) to 6,000 consumers. However, the Department claimed Medicaid FFP for only 5,400 consumers.

Although DMR has received Medicaid FFP for H&CBS, it has not claimed or received Medicaid FFP for these 600 additional H&CBS consumers.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Joseph M McDonough — 1/30/96
Signature — DATE
DEPT OF MENTAL RETARDATION

Budget Bureau Pamela MacLeod — 1/30/96
Pam MacLeod — DATE
Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMR DEPT OF MENTAL RETARDATION
Project#: 18 **Reference #:** New
Description: Waiver H&CBS For Additional Services - Retro (600 Slots) - Title XIX
Projected Rev: $10,404,275.00
RFP/Vendor: Not Required
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	17,122,625.00
FY91:	9,978,714.00
FY92:	17,376,933.00
FY93:	39,410,930.00
FY94:	114,787,190.00
FY95:	109,789,017.00

MMARS RSRC: 5245

	Total by Dept Revenue Stream
6 Year Revenue Test:	114,787,190.00
FY 96 Revenue Estimate Test :	122,600,000.00
Base Revenue :	122,600,000.00

FY 96 Revenue Estimate:	122,600,000.00
Project Revenue:	10,404,275.00
Associated Revenue Stream:	16,937,458.00
Total:	149,941,733.00
Base Revenue:	122,600,000.00
Difference:	**27,341,733.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	277,572,169.00
FY96 Revenue Estimate:	301,645,865.00
Base Revenue :	301,645,865.00

FY 96 Revenue Estimate:	301,645,865.00
Dept Rev Opt Project Revenue:	28,321,547.00
Total:	329,967,412.00
Base Revenue:	301,645,865.00
Difference:	**28,321,547.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF MENTAL RETARDATION**

Project#: 19 New -

Description: Retro Targeted Case Management - Title XIX

Projected Rev: $979,814.00

Base Measurement Data:

Revenue Stream Analysis

(Vendor Payments)

Description: 5247

6 Year Revenue Test:	10,069,498.00
FY 96 Revenue Estimate Test :	24,472,307.00
Base Revenue :	**24,472,307.00**

Department Analysis

(Incentive Payments)

CHAPTER 38/ 1-B Test:	277,572,169.00
FY 96 Revenue	301,645,865.00
Base Revenue :	**301,645,865.00**

Comments: Targeted Case Management (TCM) services were provided to clients of DMR who were also clients of the Massachusetts Commission for the Blind (MCB). DMR paid for these services provided to clients whose primary disability was blindness.

Although DMR has received Medicaid FFP for TCM services, it has never claimed or received Medicaid FFP for the TCM services provided to clients whose primary disability, and Medicaid eligibility, was determined by their blindness. MCB has also never claimed Medicaid FFP for these services.

For this project to be successful, the Department of Medical Assiatance (DMA) would work with the Health Care Financing Agency (HCFA) to justify these claims under the state plan.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Joseph P. McDonough — Signature — DEPT OF MENTAL RETARDATION — 1/30/96 — DATE

Budget Bureau Pamela MacLeod — Pam MacLeod, Director of Policy Development — 1/30/96 — DATE

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMR DEPT OF MENTAL RETARDATION
Project#: 19 **Reference #:** - New
Description: Retro Targeted Case Management - Title XIX
Projected Rev: $979,814.00
RFP/Vendor:
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	4,178,218.00
FY91:	4,082,557.50
FY92:	4,990,513.23
FY93:	4,621,109.00
FY94:	6,084,145.00
FY95:	10,069,498.00

MMARS RSRC: 5247

	Total by Dept Revenue Stream
6 Year Revenue Test:	10,069,498.00
FY 96 Revenue Estimate Test :	24,472,307.00
Base Revenue :	24,472,307.00

FY 96 Revenue Estimate:	24,472,307.00
Project Revenue:	979,814.00
Associated Revenue Stream:	0.00
Total:	25,452,121.00
Base Revenue:	24,472,307.00
Difference:	**979,814.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	277,572,169.00
FY96 Revenue Estimate:	301,645,865.00
Base Revenue :	301,645,865.00

FY 96 Revenue Estimate:	301,645,865.00
Dept Rev Opt Project Revenue:	28,321,547.00
Total:	329,967,412.00
Base Revenue:	301,645,865.00
Difference:	**28,321,547.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF MENTAL RETARDATION**

Project#: 26 088 - 10

Description: Obtaining Medicaid FFP through Waiver with MCB - Title XIX

Projected Rev: $13,601,828.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:	5245		
6 Year Revenue Test:	114,787,190.00	CHAPTER 38/ 1-B Test:	277,572,169.00
FY 96 Revenue Estimate Test :	122,600,000.00	FY 96 Revenue	301,645,865.00
Base Revenue :	**122,600,000.00**	**Base Revenue :**	**301,645,865.00**

Comments: Home and community-based services (H&CBS)were provided to clients of DMR who were also clients of the Massachusetts Commission for the Blind (MCB). DMR paid for these services provided to clients whose primary disability was blindness.

Although DMR has received Medicaid FFP for H&CBS, it has never claimed or received Medicaid FFP for H&CBS provided to clients whose primary disability, and Medicaid eligibility, was determined by their blindness. MCB has also never claimed Medicaid FFP for these services.

For this project to be successful, the Department of Medical Assiatance (DMA) would work with the Health Care Financing Agency (HCFA) to justify these claims under the state plan.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department Joseph F. McDonough — Signature — DEPT OF MENTAL RETARDATION — 1/30/96 DATE

Budget Bureau Pamela MacLeod — Pam MacLeod, Director of Policy Development — 1/30/96 DATE

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMR DEPT OF MENTAL RETARDATION
Project#: 26 **Reference #:** 10 - 088
Description: Obtaining Medicaid FFP through Waiver with MCB - Title XIX
Projected Rev: $13,601,828.00
RFP/Vendor:
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	17,122,625.97
FY91:	9,978,714.00
FY92:	17,376,933.00
FY93:	39,410,930.00
FY94:	114,787,190.00
FY95:	109,789,017.00

MMARS RSRC: 5245

	Total by Dept Revenue Stream
6 Year Revenue Test:	114,787,190.00
FY 96 Revenue Estimate Test :	122,600,000.00
Base Revenue :	122,600,000.00

FY 96 Revenue Estimate:	122,600,000.00
Project Revenue:	13,601,828.00
Associated Revenue Stream:	13,739,905.00
Total:	149,941,733.00
Base Revenue:	122,600,000.00
Difference:	**27,341,733.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	277,572,169.00
FY96 Revenue Estimate:	301,645,865.00
Base Revenue :	301,645,865.00

FY 96 Revenue Estimate:	301,645,865.00
Dept Rev Opt Project Revenue:	28,321,547.00
Total:	329,967,412.00
Base Revenue:	301,645,865.00
Difference:	**28,321,547.00**

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Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF MEDICAL SECURITY**

Project#: 27 New -

Description: Uncompensated Care - Title XIX

Projected Rev: $16,165,000.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	600,000.00
FY 96 Revenue Estimate Test :		FY 96 Revenue	590,493.00
Base Revenue :		**Base Revenue :**	**600,000.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____

Signature DATE

DEPT OF MEDICAL SECURITY

Budget Bureau

_____ _____

Pam MacLeod DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMS DEPT OF MEDICAL SECURITY
Project#: 27 **Reference #:** New
Description: Uncompensated Care - Title XIX
Projected Rev: $16,165,000.00
RFP/Vendor: UMASS/McCormack
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:	
Project Revenue:	16,165,000.00
Associated Revenue Stream:	
Total:	
Base Revenue:	
Difference:	

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	600,000.00
FY96 Revenue Estimate:	590,493.00
Base Revenue :	**600,000.00**

FY 96 Revenue Estimate:	590,493.00
Dept Rev Opt Project Revenue:	16,165,000.00
Total:	16,755,493.00
Base Revenue:	600,000.00
Difference:	**16,155,493.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF PUBLIC HEALTH**

Project#: 37 New -

Description: EPSTD Smoking Prevention - Title XIX

Projected Rev: $4,355,017.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:	ZERO BASE		
6 Year Revenue Test:	0.00	CHAPTER 38/ 1-B Test:	86,516,857.00
FY 96 Revenue Estimate Test :	0.00	FY 96 Revenue	86,472,060.00
Base Revenue :	**0.00**	**Base Revenue :**	**86,516,857.00**

Comments: Some children who received smoking prevention and other education related prevention services may have been Medicaid eligible at the time the service was provided. As a result, DPH paid for some services that should have been partially covered by Medicaid.

If this project is successful, it will be the first time that DPH collects federal reimbursement revenue for smoking and other education related related prevention services. Accordingly, the revenue base for this project is zero.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department _____ _____

Signature DATE

DEPARTMENT OF PUBLIC HEALTH

Budget Bureau _____ _____

Pam MacLeod DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

Dept:	DPH	DEPARTMENT OF PUBLIC HEALTH	
Project#:	37	**Reference #:**	New
Description:	EPSTD Smoking Prevention - Title XIX		
Projected Rev:	$4,355,017.00		
RFP/Vendor:			
ISA:	No		

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	0.00
FY91:	0.00
FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00

MMARS RSRC: ZERO BASE

	Total by Dept Revenue Stream
6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	0.00

FY 96 Revenue Estimate:	0.00
Project Revenue:	4,355,017.00
Associated Revenue Stream:	0.00
Total:	4,355,017.00
Base Revenue:	0.00
Difference:	**4,355,017.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	86,516,857.00
FY96 Revenue Estimate:	86,472,060.00
Base Revenue :	86,516,857.00

FY 96 Revenue Estimate:	86,472,060.00
Dept Rev Opt Project Revenue:	13,898,557.00
Total:	100,370,617.00
Base Revenue:	86,516,857.00
Difference:	**13,853,760.00**

mmonwealth
Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF PUBLIC HEALTH**

Project#: 38 037 - 06

Description: Public Health Hospital Rates - Title XIX

Projected Rev: $7,810,855.00

Base Measurement Data:

Revenue Stream Analysis

(Vendor Payments)

Description: 5202

6 Year Revenue Test:	54,217,570.21
FY 96 Revenue Estimate Test :	52,174,483.00
Base Revenue :	**54,217,570.21**

Department Analysis

(Incentive Payments)

CHAPTER 38/ 1-B Test:	86,516,857.00
FY 96 Revenue	86,472,060.00
Base Revenue :	**86,516,857.00**

Comments: Medicaid rates of payment are currently determined using the Non-Acute Hospital Reimbursement System (RSC-410). Under the RSC-410 mechanism, allowable costs are determined using base year data that is over ten years old. This project enhances FFP by implementing a new system for calculating Medicaid payment rates for non-acute hospitals, so that payment rates will reflect the actual costs incurred in the past two fiscal years. Specifically, this system utilizes Medicare principles of cost reimbursement, alleviating the inequities caused by the current system.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____

Signature — DATE

DEPARTMENT OF PUBLIC HEALTH

Budget Bureau

_____ _____

Pam MacLeod — DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DPH DEPARTMENT OF PUBLIC HEALTH
Project#: 38 **Reference #:** 06 - 037
Description: Public Health Hospital Rates - Title XIX
Projected Rev: $7,810,855.00
RFP/Vendor:
ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	46,493,394.65
FY91:	54,217,570.21
FY92:	44,068,953.87
FY93:	42,838,328.31
FY94:	48,985,610.00
FY95:	49,546,127.00

MMARS RSRC: 5202

	Total by Dept Revenue Stream
6 Year Revenue Test:	54,217,570.21
FY 96 Revenue Estimate Test :	52,174,483.00
Base Revenue :	54,217,570.21

FY 96 Revenue Estimate:	52,174,483.00
Project Revenue:	7,810,855.00
Associated Revenue Stream:	0.00
Total:	59,985,338.00
Base Revenue:	54,217,570.21
Difference:	**5,767,767.79**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	86,516,857.00
FY96 Revenue Estimate:	86,472,060.00
Base Revenue :	86,516,857.00

FY 96 Revenue Estimate:	86,472,060.00
Dept Rev Opt Project Revenue:	13,898,557.00
Total:	100,370,617.00
Base Revenue:	86,516,857.00
Difference:	**13,853,760.00**

ommonwealth
Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF PUBLIC HEALTH**

Project#: 39 079 - 08

Description: Obtaining Medicaid on DPH Services - Title XIX

Projected Rev: $1,732,685.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description: ZERO BASE			
6 Year Revenue Test:	0.00	CHAPTER 38/ 1-B Test:	86,516,857.00
FY 96 Revenue Estimate Test :	0.00	FY 96 Revenue	86,472,060.00
Base Revenue :	**0.00**	**Base Revenue :**	**86,516,857.00**

Comments: Some children who received lead program and universal immunization services may have been Medicaid eligible at the time the service was provided. As a result, DPH paid for some services that should have been partially covered by Medicaid.

If this project is successful, it will be the first time that DPH collects federal reimbursement revenue for lead program and universal immunization services. Accordingly, the revenue base for this project is zero.

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____

Signature DATE

DEPARTMENT OF PUBLIC HEALTH

Budget Bureau

_____ _____

Pam MacLeod DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Project Information:

Dept: DPH DEPARTMENT OF PUBLIC HEALTH
Project#: 39 **Reference #:** 08 - 079
Description: Obtaining Medicaid on DPH Services - Title XIX
Projected Rev: $1,732,685.00
RFP/Vendor:
ISA: No

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	0.00
FY91:	0.00
FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00

MMARS RSRC: ZERO BASE

	Total by Dept Revenue Stream
6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	0.00

FY 96 Revenue Estimate:	0.00
Project Revenue:	1,732,685.00
Associated Revenue Stream:	0.00
Total:	1,732,685.00
Base Revenue:	0.00
Difference:	**1,732,685.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	86,516,857.00
FY96 Revenue Estimate:	86,472,060.00
Base Revenue :	86,516,857.00

FY 96 Revenue Estimate:	86,472,060.00
Dept Rev Opt Project Revenue:	13,898,557.00
Total:	100,370,617.00
Base Revenue:	86,516,857.00
Difference:	**13,853,760.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF SOCIAL SERVICES**

Project#: 44 113 - 16

Description: Medicaid Targeted Case Management for DSS - Title XIX

Projected Rev: $21,321,671.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:	ZERO BASE		
6 Year Revenue Test:	0.00	CHAPTER 38/ 1-B Test:	158,658,491.00
FY 96 Revenue Estimate Test :	0.00	FY 96 Revenue	165,617,682.00
Base Revenue :	**0.00**	**Base Revenue :**	**165,617,682.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____

Signature DATE

DEPARTMENT OF SOCIAL SERVICES

Budget Bureau

_____ _____

Pam MacLeod DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Project Information:

Dept: DSS DEPARTMENT OF SOCIAL SERVICES
Project#: 44 **Reference #:** 16 - 113
Description: Medicaid Targeted Case Management for DSS - Title XIX
Projected Rev: $21,321,671.00
RFP/Vendor: Public Consulting Group
ISA: No

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	0.00
FY91:	0.00
FY92:	0.00
FY93:	0.00
FY94:	0.00
FY95:	0.00

MMARS RSRC: ZERO BASE

	Total by Dept Revenue Stream
6 Year Revenue Test:	0.00
FY 96 Revenue Estimate Test :	0.00
Base Revenue :	0.00

FY 96 Revenue Estimate:	0.00
Project Revenue:	21,321,671.00
Associated Revenue Stream:	0.00
Total:	21,321,671.00
Base Revenue:	0.00
Difference:	**21,321,671.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	158,658,491.00
FY96 Revenue Estimate:	165,617,682.00
Base Revenue :	165,617,682.00

FY 96 Revenue Estimate:	165,617,682.00
Dept Rev Opt Project Revenue:	25,362,364.00
Total:	190,980,046.00
Base Revenue:	165,617,682.00
Difference:	**25,362,364.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPARTMENT OF SOCIAL SERVICES**

Project#: 46 131 - 16

Description: incorporated project number: 45 - 130 - 16
Medicaid Rehabilitation - Title XIX

Projected Rev: $4,040,693.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:	5202		
6 Year Revenue Test:	946,592.00	CHAPTER 38/ 1-B Test:	158,658,491.00
FY 96 Revenue Estimate Test :	950,000.00	FY 96 Revenue	165,617,682.00
Base Revenue :	**950,000.00**	**Base Revenue :**	**165,617,682.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____
Signature DATE
DEPARTMENT OF SOCIAL SERVICES

Budget Bureau

_____ _____
Pam MacLeod DATE
Director of Policy Development

RevOpt Base Revenue Determination by Department

Commonwealth of Massachusetts

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DSS DEPARTMENT OF SOCIAL SERVICES
Project#: 46 Reference #: 16 - 131
Description: Incorporated project number: 45 - 130 - 16
Medicaid Rehabilitation - Title XIX

Projected Rev: $4,040,693.00
RFP/Vendor: Public Consulting Group
ISA: No

Base Measurement Data:

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	0.00
FY95:	946,592.00

Revenue Stream Analysis

MMARS RSRC: 5202

	Total by Dept Revenue Stream
6 Year Revenue Test:	946,592.00
FY 96 Revenue Estimate Test :	950,000.00
Base Revenue :	950,000.00

FY 96 Revenue Estimate:	950,000.00
Project Revenue:	4,040,693.00
Associated Revenue Stream:	0.00
Total:	4,990,693.00
Base Revenue:	950,000.00
Difference:	**4,040,693.00**

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	158,658,491.00
FY96 Revenue Estimate:	165,617,682.00
Base Revenue :	165,617,682.00

FY 96 Revenue Estimate:	165,617,682.00
Dept Rev Opt Project Revenue:	25,362,364.00
Total:	190,980,046.00
Base Revenue:	165,617,682.00
Difference:	**25,362,364.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF TRANSITIONAL ASSISTANCE**

Project#: 48 New -

Description: Aid To Families With Dependent Children Program
Emergency Assistance Payments - Title 4E/4A

Projected Rev: $33,089,702.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
(Vendor Payments)		***(Incentive Payments)***	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	461,906,906.00
FY 96 Revenue Estimate Test :	_____	FY 96 Revenue	_____
Base Revenue :		**Base Revenue :**	

Comments: PCG filed special claim on the 9/30/95 quaterly report:
4,674,448 for current quarter expenditures
28,415,254 for prior quarter adjustments
33,089,702

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____
Signature DATE
DEPT OF TRANSITIONAL ASSISTANCE

Budget Bureau

_____ _____
Pam MacLeod DATE
Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: WEL DEPT OF TRANSITIONAL ASSISTANCE

Project#: 48 **Reference #:** New

Description: Aid To Families With Dependent Children Program
Emergency Assistance Payments - Title 4E/4A

Projected Rev: $33,089,702.00

RFP/Vendor: Public Consulting Group

ISA: No

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:	
Project Revenue:	33,089,702.00
Associated Revenue Stream:	
Total:	
Base Revenue:	
Difference:	

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	461,906,906.00
FY96 Revenue Estimate:	
Base Revenue :	

FY 96 Revenue Estimate:	
Dept Rev Opt Project Revenue:	35,509,622.00
Total:	
Base Revenue:	
Difference:	

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DEPT OF TRANSITIONAL ASSISTANCE**

Project#: 49 New -

Description: Aid To Families With Dependent Children Program
Child Care(FMAP Rate) - Title 4E/4A

Projected Rev: $2,419,920.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
(Vendor Payments)		***(Incentive Payments)***	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	461,906,906.00
FY 96 Revenue Estimate Test :	_____	FY 96 Revenue	_____
Base Revenue :		**Base Revenue :**	

Comments: PCG filed special claim on the 9/30/95 quarterly report:
1,273,642 for current quarter expenditures
1,146,278 for prior quarter adjustments
2,419,920

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____
Signature DATE
DEPT OF TRANSITIONAL ASSISTANCE

Budget Bureau

_____ _____
Pam MacLeod DATE
Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: WEL DEPT OF TRANSITIONAL ASSISTANCE

Project#: 49 Reference #: New

Description: Aid To Families With Dependent Children Program
Child Care(FMAP Rate) - Title 4E/4A

Projected Rev: $2,419,920.00

RFP/Vendor: Public Consulting Group

ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:

Project Revenue: 2,419,920.00

Associated Revenue Stream:

Total:

Base Revenue:

Difference:

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	461,906,906.00
FY96 Revenue Estimate:	
Base Revenue :	

FY 96 Revenue Estimate:

Dept Rev Opt Project Revenue: 35,509,622.00

Total:

Base Revenue:

Difference:

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **EXEC OFFICE OF ELDER AFFAIRS**

Project#: 51 New -

Description: 2178 Waiver Resubmission - Title XIX

Projected Rev: $338,235.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
(Vendor Payments)		***(Incentive Payments)***	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	3,190,000.00
FY 96 Revenue Estimate Test :		FY 96 Revenue	5,037,252.00
Base Revenue :		**Base Revenue :**	**5,037,252.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____

Signature DATE

EXEC OFFICE OF ELDER AFFAIRS

Budget Bureau

_____ _____

Pam MacLeod DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Project Information:

Dept: ELD EXEC OFFICE OF ELDER AFFAIRS
Project#: 51 **Reference #:** - New
Description: 2178 Waiver Resubmission - Title XIX
Projected Rev: $338,235.00
RFP/Vendor: UMASS/McCormack
ISA: No

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:	
Project Revenue:	338,235.00
Associated Revenue Stream:	
Total:	
Base Revenue:	
Difference:	

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	3,190,000.00
FY96 Revenue Estimate:	5,037,252.00
Base Revenue :	5,037,252.00

FY 96 Revenue Estimate:	5,037,252.00
Dept Rev Opt Project Revenue:	2,736,048.00
Total:	7,773,300.00
Base Revenue:	5,037,252.00
Difference:	**2,736,048.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **EXEC OFFICE OF ELDER AFFAIRS**

Project#: 52 New -

Description: Admin Case Management Resubmissions - Title XIX

Projected Rev: $1,969,061.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
(Vendor Payments)		***(Incentive Payments)***	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	3,190,000.00
FY 96 Revenue Estimate Test :		FY 96 Revenue	5,037,252.00
Base Revenue :		**Base Revenue :**	**5,037,252.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____

Signature DATE

EXEC OFFICE OF ELDER AFFAIRS

Budget Bureau

_____ _____

Pam MacLeod DATE

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: ELD EXEC OFFICE OF ELDER AFFAIRS

Project#: 52 Reference #: New

Description: Admin Case Management Resubmissions - Title XIX

Projected Rev: $1,969,061.00

RFP/Vendor: UMASS/McCormack

ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:	
Project Revenue:	1,969,061.00
Associated Revenue Stream:	
Total:	
Base Revenue:	
Difference:	

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	3,190,000.00
FY96 Revenue Estimate:	5,037,252.00
Base Revenue :	5,037,252.00

FY 96 Revenue Estimate:	5,037,252.00
Dept Rev Opt Project Revenue:	2,736,048.00
Total:	7,773,300.00
Base Revenue:	5,037,252.00
Difference:	**2,736,048.00**

Revenue Optimization Base Revenue Approval Form

Department: **EXEC OFFICE OF ELDER AFFAIRS**

Project#: 53 New -

Description: Coordination of Care Rate Adjustments - Title XIX

Projected Rev: $404,889.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	3,190,000.00
FY 96 Revenue Estimate Test :		FY 96 Revenue	5,037,252.00
Base Revenue :		**Base Revenue :**	**5,037,252.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

Signature
EXEC OFFICE OF ELDER AFFAIRS

DATE

Budget Bureau

Pam MacLeod
Director of Policy Development

DATE

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: ELD EXEC OFFICE OF ELDER AFFAIRS
Project#: 53 **Reference #:** New
Description: Coordination of Care Rate Adjustments - Title XIX
Projected Rev: $404,889.00
RFP/Vendor: UMASS/McCormack
ISA: No

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:	
Project Revenue:	404,889.00
Associated Revenue Stream:	
Total:	
Base Revenue:	
Difference:	

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	3,190,000.00
FY96 Revenue Estimate:	5,037,252.00
Base Revenue :	5,037,252.00

FY 96 Revenue Estimate:	5,037,252.00
Dept Rev Opt Project Revenue:	2,736,048.00
Total:	7,773,300.00
Base Revenue:	5,037,252.00
Difference:	**2,736,048.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **EXEC OFFICE OF ELDER AFFAIRS**

Project#: 54 New -

Description: Admin Case Management Rate Adjustments - Title XIX

Projected Rev: $23,863.00

Base Measurement Data:

Revenue Stream Analysis *(Vendor Payments)*		Department Analysis *(Incentive Payments)*	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	3,190,000.00
FY 96 Revenue Estimate Test :		FY 96 Revenue	5,037,252.00
Base Revenue :		**Base Revenue :**	**5,037,252.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

_____ _____

Signature DATE

EXEC OFFICE OF ELDER AFFAIRS

Budget Bureau

_____ _____

Pam MacLeod DATE

Director of Policy Development

RevOpt Base Revenue Determination by Department

Commonwealth of Massachusetts

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: ELD EXEC OFFICE OF ELDER AFFAIRS

Project#: 54 **Reference #:** New

Description: Admin Case Management Rate Adjustments - Title XIX

Projected Rev: $23,863.00

RFP/Vendor: UMASS/McCormack

ISA: No

Base Measurement Data: *Revenue Stream Analysis*

Dept/Treasurer Revenue by Revenue Source	
FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:	
Project Revenue:	23,863.00
Associated Revenue Stream:	
Total:	
Base Revenue:	
Difference:	

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	3,190,000.00
FY96 Revenue Estimate:	5,037,252.00
Base Revenue :	5,037,252.00

FY 96 Revenue Estimate:	5,037,252.00
Dept Rev Opt Project Revenue:	2,736,048.00
Total:	7,773,300.00
Base Revenue:	5,037,252.00
Difference:	**2,736,048.00**

Commonwealth of Massachusetts

Revenue Optimization Base Revenue Approval Form

Department: **DIV OF MEDICAL ASSISTANCE**

Project#: 77 New -

Description: Municipal Medicaid - Title XIX

Projected Rev: $4,900,609.00

Base Measurement Data:

Revenue Stream Analysis		Department Analysis	
(Vendor Payments)		***(Incentive Payments)***	
Description:			
6 Year Revenue Test:		CHAPTER 38/ 1-B Test:	1,996,923,976.00
FY 96 Revenue Estimate Test :		FY 96 Revenue	2,001,904,578.00
Base Revenue :		**Base Revenue :**	**2,001,904,578.00**

Comments:

The undersigned authorized signatory approving this document certifies that this document and any attachments are accurate and complete and comply with all applicable general and special laws and regulations.

Host Department

Signature _____ DATE _____

DIV OF MEDICAL ASSISTANCE

Budget Bureau

Pam MacLeod _____ DATE _____

Director of Policy Development

Commonwealth of Massachusetts

RevOpt Base Revenue Determination by Department

Project Information:

STATUS : 1
1-Active Projects
2-Pending Projects
3-Statewide Projects

Dept: DMA DIV OF MEDICAL ASSISTANCE

Project#: 77 Reference #: New

Description: Municipal Medicaid - Title XIX

Projected Rev: $4,900,609.00

RFP/Vendor: UMASS/McCormack

ISA: No

Base Measurement Data:

Revenue Stream Analysis

Dept/Treasurer Revenue by Revenue Source

FY90:	
FY91:	
FY92:	
FY93:	
FY94:	
FY95:	

MMARS RSRC:

	Total by Dept Revenue Stream
6 Year Revenue Test:	
FY 96 Revenue Estimate Test :	
Base Revenue :	

FY 96 Revenue Estimate:	
Project Revenue:	4,900,609.00
Associated Revenue Stream:	
Total:	
Base Revenue:	
Difference:	

Departmental Revenue Analysis

	Total by Department
CHAPTER 38/ 1-B Test:	1,996,923,976.00
FY96 Revenue Estimate:	2,001,904,578.00
Base Revenue :	2,001,904,578.00

FY 96 Revenue Estimate:	2,001,904,578.00
Dept Rev Opt Project Revenue:	4,900,609.00
Total:	2,006,805,187.00
Base Revenue:	2,001,904,578.00
Difference:	**4,900,609.00**

Intercept Report

Revenue Unit Warehouse Query

Commonwealth of Massachusetts

FY 96 Non-DOR Intercepts to Date

Report Date: 1/29/96

Total Number of Non-DOR Intercepts: 268

Total Non-DOR Intercepts: $687,525.56

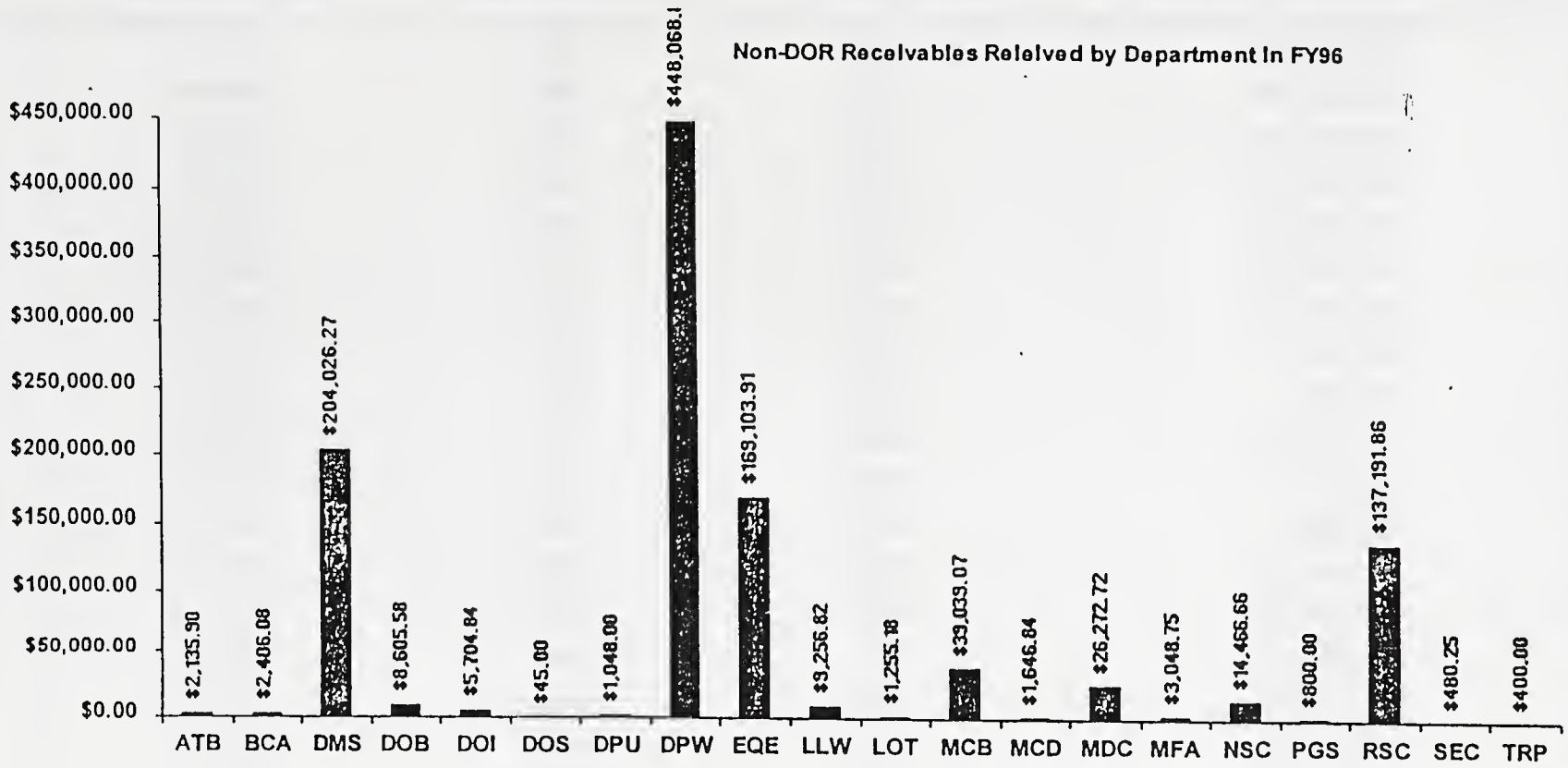
Receivable Department		Intercept Amount*
BCA	CONCILIATION & ARBITRATION	$1,956.00
DMS	DEPT OF MEDICAL SECURITY	$121,243.56
DOI	DIVISION OF INSURANCE	$4,260.36
DPU	DEPT OF PUBLIC UTILITIES	$1,000.00
DPW	MASSACHUSETTS HIGHWAY DEPT	$358,350.95
EQE	DEPT ENVIRONMENTAL PROTECTION	$167,875.83
LLW	LOW-LEV RDIOACTIVE WASTE MGT	$2,331.55
LOT	LOTTERY COMMISSION	$1,175.23
MCB	MASS COMMISSION FOR THE BLIND	$7,411.30
MCD	COMN DEAF & HARD OF HEARING	$603.88
MDC	METROPOLITAN DISTRICT COMN	$3,404.24
MFA	MASS FIREFIGHTING ACADEMY	$3,048.75
NSC	NORTH SHORE COMMUNITY COLLEGE	$14,466.66
PGS	PROCUREMENT & GENERAL SERVICES	$258.00
SEC	SECRETARY OF THE COMMONWEALTH	$139.25

** Intercept Amount: This represents the total amount intercepted in the MMARS nightly intercept cycle. It does NOT reflect any adjustments or refunds which may have been processed by a department who allowed either a non-eligible delinquent receivable or non-eligible payment to be subject to intercept processing.*

Receivable Department	Intercept Amount*

Grand Total Number of FY 96 Non-DOR Intercepts to Date: 268

Grand Total of All FY96 Non-DOR Intercepts to Date: $687,525.56



* *Intercept Amount: This represents the total amount intercepted in the MMARS nightly intercept cycle. It does NOT reflect any adjustments or refunds which may have been processed by*

BARS Warehouse Query

Commonwealth of Massachusetts

FY 96 Intercepts for DOR Delinquent Taxes

Report Date: *1/30/96*

Total Number of Intercepts: 504

Total Intercepts: $622,573.36

Warrant Date	Warrant Number	Entity Type	Intercept Amount*	Year to Date Totals
7/5/95	M01	DOR	$7,946.90	$7,946.90
7/10/95	W01	DOR	$6,688.13	$14,635.03
7/11/95	M01	DOR	$13,605.09	$28,240.12
7/12/95	M01	DOR	$11,708.28	$39,948.40
7/13/95	M01	DOR	$3,485.25	$43,433.65
7/17/95	W02	DOR	$9,582.23	$53,015.88
7/18/95	M01	DOR	$2,574.55	$55,590.43
7/19/95	M01	DOR	$4,952.29	$60,542.72
7/24/95	W03	DOR	$56.20	$60,598.92
7/25/95	M01	DOR	$3,314.87	$63,913.79
7/26/95	M01	DOR	$618.23	$64,532.02
7/27/95	M01	DOR	$8,600.59	$73,132.61
7/31/95	W04	DOR	$1,962.44	$75,095.05
8/1/95	M02	DOR	$4,640.66	$79,735.71
8/2/95	M02	DOR	$2,429.24	$82,164.95
8/3/95	M02	DOR	$4,253.36	$86,418.31
8/7/95	W05	DOR	$4,990.37	$91,408.68
8/8/95	M02	DOR	$8,771.08	$100,179.76
8/9/95	M02	DOR	$1,056.73	$101,236.49
8/10/95	M02	DOR	$1,378.76	$102,615.25
8/15/95	M02	DOR	$1,434.80	$104,050.05
8/16/95	M02	DOR	$48,443.19	$152,493.24
8/17/95	M02	DOR	$842.57	$153,335.81
8/21/95	W07	DOR	$9,118.12	$162,453.93
8/22/95	M02	DOR	$22,563.00	$185,016.93
8/23/95	M02	DOR	$4,030.60	$189,047.53

*This represents the total amount intercepted in the MMARS nightly intercept cycle. It does NOT reflect any adjustments or refunds which may have been processed by

Wai . Date	Warrant Number	Entity Type	Intercept Amount*	Year to Date Totals
8/24/95	M02	DOR	$4,475.80	$193,523.33
8/28/95	W08	DOR	$114,283.61	$307,806.94
8/29/95	M02	DOR	$7,658.06	$315,465.00
8/30/95	M02	DOR	$2,129.76	$317,594.76
8/31/95	M02	DOR	$5,134.35	$322,729.11
9/5/95	W09	DOR	$15,866.48	$338,595.59
9/6/95	M03	DOR	$5,096.35	$343,691.94
9/7/95	M03	DOR	$6,730.09	$350,422.03
9/11/95	W10	DOR	$157.50	$350,579.53
9/12/95	M03	DOR	$721.97	$351,301.50
9/13/95	M03	DOR	$94,034.03	$445,335.53
9/14/95	M03	DOR	$1,194.82	$446,530.35
9/18/95	W11	DOR	$3,885.04	$450,415.39
9/19/95	M03	DOR	$3,949.49	$454,364.88
9/20/95	M03	DOR	$1,920.11	$456,284.99
9/28/95	M03	DOR	$124.96	$456,409.95
10/2/95	W13	DOR	$51,707.02	$508,116.97
10/10/95	W14	DOR	$25,991.28	$534,108.25
10/16/95	W15	DOR	$8,784.14	$542,892.39
10/23/95	W16	DOR	$257.77	$543,150.16
10/24/95	M04	DOR	$1,269.49	$544,419.65
10/25/95	M04	DOR	$2,089.51	$546,509.16
10/26/95	M04	DOR	$2,210.88	$548,720.04
10/30/95	W17	DOR	$1,646.69	$550,366.73
10/31/95	M04	DOR	$7,851.21	$558,217.94
11/1/95	M05	DOR	$634.00	$558,851.94
11/2/95	M05	DOR	$317.54	$559,169.48
11/7/95	M05	DOR	$2,552.70	$561,722.18
11/8/95	M05	DOR	$117.40	$561,839.58
11/9/95	M05	DOR	$1.73	$561,841.31
11/13/95	W19	DOR	$170.38	$562,011.69
11/14/95	M05	DOR	$1,078.61	$563,090.30
11/15/95	M05	DOR	$2,078.24	$565,168.54

** Intercept Amount: This represents the total amount intercepted in the MMARS nightly intercept cycle. It does NOT reflect any adjustments or refunds which may have been processed by*

Wai	Date	Warrant Number	Entity Type	Intercept Amount*	Year to Date Totals
	11/16/95	M05	DOR	$5,526.69	$570,695.23
	12/18/95	W24	DOR	$1,624.48	$572,319.71
	12/19/95	M06	DOR	$32,385.87	$604,705.58
	12/20/95	M06	DOR	$133.20	$604,838.78
	12/21/95	M06	DOR	$532.64	$605,371.42
	12/26/95	M06	DOR	$9,412.14	$614,783.56
	12/27/95	M06	DOR	$3,061.57	$617,845.13
	12/28/95	M06	DOR	$4,728.23	$622,573.36

Grand Total Number of FY96 DOR Intercepts to Date: 504

Grand Total* of All FY96 DOR Intercepts to Date: $622,573.36

** Intercept Amount: This represents the total amount intercepted in the MMARS nightly intercept cycle. It does NOT reflect any adjustments or refunds which may have been processed by*

BARS Warehouse Query

Commonwealth of Massachusetts

FY 96 Intercepts for Child Support Enforcement

Report Date: *1/30/96*

Total Number of Intercepts: 14

Total Intercepts: $437.15

Warrant Date	Warrant Number	Entity Type	Intercept Amount*	Year to Date Totals
10/30/95	M04	CSE	$6.40	$6.40
10/31/95	M04	CSE	$22.76	$29.16
11/2/95	M05	CSE	$158.23	$187.39
11/7/95	M05	CSE	$4.80	$192.19
11/10/95	M05	CSE	$78.47	$270.66
11/13/95	W19	CSE	$112.56	$383.22
11/14/95	M05	CSE	$14.60	$397.82
11/20/95	M05	CSE	$16.08	$413.90
11/28/95	M05	CSE	$11.10	$425.00
12/18/95	M06	CSE	$8.00	$433.00
12/29/95	M06	CSE	$4.15	$437.15

Grand Total Number of FY96 CSE Intercepts to Date: 14

Grand Total* of All FY96 CSE Intercepts to Date: $437.15

** Intercept Amount: This represents the total amount intercepted in the MMARS nightly intercept cycle. It does NOT reflect any adjustments or refunds which may have been processed by*

Debt Collection Report

Debt Collection - FY96

29-Jan-96

Department	Debt Collection Agency		Amount Collected	Amount Paid
BCC				
	Collection Company of America			
			$0.00	$0.00
		BCC	**$0.00**	**$0.00**
BHC				
	Allen Daniel Associates			
			$1,251.40	$271.88
			$0.00	$0.00
		BHC	**$1,251.40**	**$271.88**
BRC				
	Collection Company of America			
			$7,645.38	$2,228.51
		BRC	**$7,645.38**	**$2,228.51**
BSC				
	Payco American Corp			
			$28,979.14	$7,030.14
		BSC	**$28,979.14**	**$7,030.14**
CCC				
	Payco American Corp			
			$0.00	$0.00
		CCC	**$0.00**	**$0.00**

Department	Debt Collection Agency		Amount Collected	Amount Paid
CPC				
	Walker Associates			
			$342.44	$41.09
		CPC	**$342.44**	**$41.09**
DIA				
	Credit Control Services			
			$695,402.22	$24,393.39
		DIA	**$695,402.22**	**$24,393.39**
DMH				
	Walker Associates			
			$0.00	$0.00
		DMH	**$0.00**	**$0.00**
DPH				
Lakeville & Rutland	Credit Control Services			
			$460.00	$92.00
Lemuel Shattuck Hospital	Credit Control Services			
			$0.00	$0.00
Tewsbury Hospital	Walker Associates			
			$0.00	$0.00
WMASS Hospital	Collection Company of America			
			$500.00	$115.00
		DPH	**$960.00**	**$207.00**
DPW				

Department	Debt Collection Agency		Amount Collected	Amount Paid
	Allen Daniel Associates			
			$7,009.25	$937.58
			$414.24	$99.42
		DPW	**$7,423.49**	**$1,037.00**
DSS				
	Allen Daniel Associates			
			$12,492.78	$2,499.33
		DSS	**$12,492.78**	**$2,499.33**
FRC				
	Collection Company of America			
			$2,458.93	$819.53
			$7,943.61	$1,906.48
		FRC	**$10,402.54**	**$2,726.01**
FSC				
	Collection Company of America			
			$1,407.36	$568.66
			$3,111.74	$850.60
		FSC	**$4,519.10**	**$1,419.26**
GCC				
	Allen Daniel Associates			
			$10,354.00	$1,569.00
		GCC	**$10,354.00**	**$1,569.00**
HCC				

Department	Debt Collection Agency		Amount Collected	Amount Paid
			$0.00	$0.00
		HCC	**$0.00**	**$0.00**
LOT				
	Collection Company of America			
			$44,247.90	$9,782.45
			$0.00	$0.00
		LOT	**$44,247.90**	**$9,782.45**
MAS				
	Allen Daniel Associates			
			$3,906.50	$662.60
		MAS	**$3,906.50**	**$662.60**
MBC				
	Allen Daniel Associates			
			$0.00	$0.00
		MBC	**$0.00**	**$0.00**
MCA				
	Collection Company of America			
			$0.00	$0.00
		MCA	**$0.00**	**$0.00**
MMA				
	Collection Company of America			
			$0.00	$0.00
		MMA	**$0.00**	**$0.00**
MWC				

Department	Debt Collection Agency		Amount Collected	Amount Paid
	Collection Company of America			
			$5,163.92	$1,752.82
		MWC	**$5,163.92**	**$1,752.82**
NAC				
	Collection Company of America			
			$31,361.73	$8,861.81
		NAC	**$31,361.73**	**$8,861.81**
NEC				
	Allen Daniel Associates			
			$17,301.54	$3,683.67
		NEC	**$17,301.54**	**$3,683.67**
NSC				
	Payco American Corp			
			$0.00	$0.00
		NSC	**$0.00**	**$0.00**
PER				
	Allen Daniel Associates			
			$0.00	$0.00
		PER	**$0.00**	**$0.00**
QCC				
	Allen Daniel Associates			
			$2,400.36	$484.09
		QCC	**$2,400.36**	**$484.09**
RCC				

Department	Debt Collection Agency		Amount Collected	Amount Paid
	Financial Collection Agencies			
			$0.00	$0.00
		RCC	**$0.00**	**$0.00**
RGT				
	Payco American Corp			
			$21,535.62	$5,168.54
		RGT	**$21,535.62**	**$5,168.54**
RMV				
	Allen Daniel Associates			
			$50,448.99	$8,723.92
		RMV	**$50,448.99**	**$8,723.92**
SSA				
	Allen Daniel Associates			
			$0.00	$0.00
		SSA	**$0.00**	**$0.00**
STC				
	Payco American Corp			
			$4,051.50	$972.36
		STC	**$4,051.50**	**$972.36**
TRE				
	Allen Daniel Associates			
			$26,323.03	$4,169.90
		TRE	**$26,323.03**	**$4,169.90**
UMS				

Department	Debt Collection Agency		Amount Collected	Amount Paid
Amherst	Collection Company of America			
			$0.00	$0.00
Boston	Collection Company of America			
			$0.00	$0.00
			$0.00	$0.00
Darmouth	Allen Daniel Associates			
			$4,726.65	$2,066.78
			$16,122.24	$9,186.24
Lowell	Allen Daniel Associates			
			$0.00	$0.00
			$0.00	$0.00
Medical School - Worcester	Collection Company of America			
			$0.00	$0.00
		UMS	**$20,848.89**	**$11,253.02**
WEL				
	Credit Control Services			
			$33,626.38	$6,419.04
		WEL	**$33,626.38**	**$6,419.04**
WOR				
	Payco American Corp			
			$0.00	$0.00
		WOR	**$0.00**	**$0.00**
WSC				

Department	Debt Collection Agency	Amount Collected	Amount Paid
	Payco American Corp		
		$4,115.68	$987.76
	WSC	**$4,115.68**	**$987.76**
	Grand Total:		
		$1,045,104.53	**$106,344.59**

COMPILATION OF MEMOS

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE • BOSTON 02133

WILLIAM F. WELD
GOVERNOR

GEO PAUL CELLUCCI
UTENANT-GOVERNOR

CHARLES D. BAKER
SECRETARY

TEL: (617) 727-2040
FAX: (617) 727-2779

July 24, 1995

MEMO TO: The Honorable Thomas Finneran
The Honorable Thomas Birmingham

FROM: Charles D. Baker, Secretary, EOAF

RE: Our FY 1996 Revenue Optimization Campaign

Thanks once again for including an incentive for this Administration's revenue optimization campaign in the FY 1996 budget. As you know, a number of agencies were involved in a significant revenue identification project over the past ninety days. The results of this review are attached. Simply put, we believe significant opportunities to enhance non-tax revenue collections continue to exist, and we plan to pursue these opportunities aggressively in FY 1996. In many cases, we plan to employ contingent fee contracting, which makes it possible for us to leverage additional administrative and operational resources while preserving budgeted funds.

Your decision to create an incentive for participation - up to $500,000 for the first $15 million of new revenue; another $500,000 for the next $5 million of new revenue; and another $4 million for revenues in excess of $20 million - will encourage a strong level of effort at the agency level..

I have asked Leslie Kirwan at EOAF to chair a Special Task Force that will be working with line agencies on this initiative (please see attached memo to Cabinet Secretaries). If you or your staff have any questions, please don't hesitate to give her a call.

We will continue to keep you informed on this initiative over the course of the fiscal year.

cc: Mary-Lee King, Governor's Office
Leslie Kirwan, EOAF

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
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STATE HOUSE • BOSTON 02133

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UTENANT-GOVERNOR

HARLES D. BAKER
SECRETARY

TEL: (617) 727-2040
FAX: (617) 727-2779

July 24, 1995

MEMO TO: Cabinet Secretaries and Agency Heads

FROM: Charles D. Baker, Secretary, EOAF

RE: Our FY 1996 Revenue Optimization Campaign

For the past several months, many of your agencies have been engaged in an intense review of a wide variety of potential revenue optimization opportunities. The result of this review is summarized in the attached document. Suffice it to say that an amazing number of possibilities surfaced during this short review. While many of the most simple opportunities have, indeed, already been identified and implemented, many more remain.

For the next couple of months, EOAF, the Comptroller's Office and the Budget Bureau will be working with you and your staff to ensure that we maximize every revenue opportunity we have identified over the course of the next year. This will require a great deal of cooperation on the part of everyone involved, but could, over time, secure tens, and even hundreds of millions of dollars in non-tax revenue for the Commonwealth.

As you may recall, House One made it possible for agencies that participated in this initiative to benefit financially by receiving a portion of any new revenue generated by the project. The legislature chose to support this concept, and has allocated up to $5 million in retained revenue in the FY 1996 budget - if the Administration generates more than $20 million in net new revenue for the General Fund. EOAF has been assigned the unenviable task of distributing the retained revenue funds.

EOAF Chief of Staff Leslie Kirwan will serve as Chair of the Task Force we have put together (with the Comptroller's Office and Budget Bureau) to assist you with this project. EOAF intends to not only reach the $20 million target, but, with your help, I believe we can significantly exceed it. You should expect to hear from the EOAF Task Force shortly.

cc: Leslie Kirwan, EOAF
William Kilmartin, Comptroller's Office
Thomas Graf, Budget Bureau

COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ADMINISTRATION AND FINANCE

Revenue Optimization Project
Summary Report

This Final Report of the Massachusetts Revenue Optimization Opportunity Evaluation Project concludes the work of Andersen Consulting, LLP and the Public Consulting Group, Inc. to assist the Executive Office of Administration and Finance in identifying and defining revenue enhancement opportunities for the executive offices of the Commonwealth of Massachusetts. We would like to thank the Executive Office of Administration and Finance and the Comptroller's Office for the consistent and high quality support they provided us during the three month span of this project. We also wish to express our appreciation for the excellent cooperation extended to us by the staff of all the executive offices and their departments and the Office of the Secretary of State.

This report contains the Consolidated Feasibility Reports And FY 1996 Revenue Estimates Spreadsheet and the 21 Feasibility Reports developed by this Project. The subjects of the Feasibility Reports were identified during the assessment phase of the project and were listed in the preliminary list of revenue opportunities. Projects were selected for Feasibility Reports primarily by the potential revenue projected for FY 1996 and the level of complexity and risk required for implementation of the revenue generating activities. Other projects were then added to the list if they were within the same department and were similar in nature to the originally targeted project. Individual revenue project requirements and revenue estimates were further defined and adjusted in the Feasibility Report.

The Consolidated Feasibility Reports and FY 1996 Revenue Estimates Spreadsheet is not only a summary of the Feasibility Reports, but is also the vehicle that identifies the revenue to be generated by sum of the projects. The total revenue estimate is identified as a sum of the probable revenues generated from each project and is projected to be $46,750,000 for FY 1996. <u>This revenue estimate needs further discussion to be understood and used correctly</u>, and the remainder of this project summary focuses on framing the total revenue estimate in the proper context.

Every revenue opportunity contained in each of the 21 Feasibility Reports is assigned Collection Potential and Risk Assessment descriptions. Collection Potential is an estimate of the difficulty or complexity in collecting the FY 1996 cash estimate and describes the portion of the revenue that can be expected, given the complexity of the particular project proposed and the difficulty in collecting the revenue from its source. Risk Assessment is an evaluation of the risk involved in collecting any of the projected revenue streams. It incorporates uncertainties such as changes in federal programs identified as a revenue source, consumer market uncertainties, legal challenges, and other zero-sum risk factors. These descriptions have been assigned numerical factors

that are used to adjust the FY 1996 revenue potential. These factors are assigned as follows.

Collection Potential	Collection Potential Factor	Risk Assessment	Risk Assessment Factor
Excellent	90%	Low	90%
Good	60%	Low to Medium	75%
Fair	40%	Medium	50%
Poor	20%	Medium to High	25%
N/A	N/A	High	10%

The above factors also need further discussion. Assessing complexity and risk for projects such as those described by Feasibility Reports do not result in a predictable revenue stream to be expected from a single revenue project. The change of a single federal regulation, a legal challenge resulting in a court injunction, an unexpected data exchange problem between computer systems, or delays in federal approval beyond reasonable estimates are examples of events that have reduced or curtailed revenue projects in the past and will occur in the projects identified in this report. The FY 96 probable revenue total can only be used, in a manner similar to an actuarial estimate, to determine the probability of summary results within the group, and not to predict the outcome to an individual project. Even the loss of key staff at a host or stakeholder agency, or an event unrelated to the revenue project that drains agency resources or diverts agency attention away from project activities will adversely effect revenue from a single project. These events cannot be predicted with enough accuracy to hold an individual project accountable for a specific revenue projection at this point in time.

In addition, FY 1996 revenue estimates cannot be extrapolated to revenue projections for future years. Several of the projects identified have one time retroactive recoveries that are included in the FY 1996 potential revenue. They also contain one time recoveries in FY 1996 that are not available for future years (one example of this would be Title IV-A Emergency Assistance that is assumed to be capped (at least) during early FY 1996 and would not be available for any projections into FY 1997 and beyond).

Within the qualifications described above, the Probable Revenue Total for FY 1996 is a reasonable projection of the revenue to be generated by the sum of the opportunities identified in this report. Andersen Consulting, LLP and Public Consulting Group, Inc. want to thank the Executive Office of Administration and Finance for the opportunity to work with the Commonwealth of Massachusetts on this exciting and groundbreaking project

CONSOLIDATED FEASIBILITY REPORTS AND FY 1996 REVENUE ESTIMATES

COMMONWEALTH OF MASSACHUSETTS - EXECUTIVE OFFICE OF ADMINISTRATION AND FINANCE

NUMBER	REV. OPP. NUMBER	UNIT OF GOVERNMENT	REVENUE OPPORTUNITY DESCRIPTION	REVENUE SOURCE	COLLECTION METHOD	FY 96 REVENUE PROBABILITY
	001	EOHHS-OYS	DYS Federal Reimbursement Expansion	Title IV-A IV-E & XIX	FFP-invoicing	3,810,000.0
					Subtotal	3,810,000.0
02	046	EOHHS/DMH	Obtaining Title IV FFP for DMH Services	Title IV-A & Title IV-E	FFP-invoicing	165,750.0
	114	EOHHS/DSS	Title IV-A Emergency Assistance Expansion for DSS	Title IV-A	Claiming	1,632,000.0
	139	EOE/DOE	Access E.A. for Sp. Ed. Services	Title IV-A	Collections	1,800,000.0
					Subtotal	3,597,750.0
03	062	EOHHS/DMH	Obtaining Medicaid FFP on DMH Family Planning Services	Title XIX	FFP-Invoicing	3,378,240.0
	127	EOHHS/DPH	Obtaining Medicaid FFP on DPH Family Planning Services	FFP	Claiming	540,000.0
	063	EOHHS/DMR	Obtaining Medicaid FFP on DMR Family Planning Services	Title XIX	FFP-Invoicing	1,860,000.0
					Subtotal	5,778,240.0
04	021	EOPS	On-line Access to Driver Information	Fees	New Sales	1,377,000.0
					Subtotal	1,377,000.0
05	023	Sec of State	Imaging/Electronic Filing	Fees	See agency based strategies	120,609.0
					Subtotal	120,609.0
06	037	EOHHS/DPH	Public Health Hospital Rates	Title XIX	FFP via DMA	2,700,000.0
	051	EOHHS/DPH	Recovery of Administrative Costs in Public Health Hospitals	Title XIX Admin.	See 037	
	125	EOHHS/DPH	Increase Medicaid Eligibility Rates in DPH Hospitals	FFP	Claiming	318,750.0
	126	EOHHS/DPH	Preparing Retroactive Claims to DMA for DPH Hospital Services	FFP	Claiming	223,560.0
					Subtotal	3,242,310.0
07	056	EOHHS/DMH	Obtaining Medicaid FFP on DMH Personal Care Services	Title XIX	FFP-invoicing	76,500.0
	070	EOHHS/DMH	Improve DMH Identification of Medicaid Eligibility	Title XIX SSI	FFP via DMA SSA payments	433,500.0
	071	EOHHS/DMH	Increasing Medicaid FFP for DMH Childrens Mental Health Services	FFP	FFP via DMA, SSA, USDA	1,020,000.0
	072	EOHHS/DMH	Back Billing for Medicaid Services Provided through DMH	Title XIX	FFP via DMA	293,760.0
	073	EOHHS/DMH	Converting Patients from Free Care to Medicaid	Title XIX	FFP via DMA	229,500.0
	080	EOHHS/DMH	Increasing Medicaid Payment Rates for DMH Emergency Services	Title XIX	FFP via DMA	2,065,500.0
	123	EOHHS/DMH	Recoup DMH Payments for Purchased Services by Medicaid	FFP	Claiming	49,500.0
	124	EOHHS/DMH	Submitting Retro Claims Under Emergency Services	FFP	Claiming	459,000.0
					Subtotal	4,627,260.0
08	079	EOHHS/DPH	Obtaining Medicaid on DPH Services	Title XIX	FFP via DMA	85,000.0
					Subtotal	85,000.0
09	069	EOElder Affairs	I.D. of Clients Eligibility for Home & Community Based Services	Title XIX	FFP via DMA	583,200.0
	132	EOElder Affairs	Reimbursement for Information Systems	FFP	Claiming	9,64[illegible]
	055	EOElder Affairs	Reimbursement for Administrative Costs	Title XIX Admin	FFP-ISA Claiming	380,85[illegible]
	133	EOElder Affairs	Accurate Accounting of Medicaid Eligible Clients Served by Home Care Corp	FFP	Claiming	45,0[illegible]
					Subtotal	1,018,7[illegible]
10	044	EOHHS/DMR	Accelerated Federal Claiming for DMR Services	Title XIX	FFP via DMA	1,700,0[illegible]
	087	EOHHS/DMR	Increase Payment Rate for Non-Institutional Services	Title XIX, other FFP	Federal claiming	510,0[illegible]
	075	EOHHS/DMR	Increase Medicaid Eligibility Rates in DMR Programs	Title XIX	FFP via DMA	[illegible]
	128	EOHHS/DMR	Obtaining Medicaid FFP on DMR Personal Care Services	FFP	Claiming	220,5[illegible]
	088	EOHHS/DMR & MCB	Obtaining Medicaid FFP through Waiver	Title XIX	FFP via DMA	2[illegible]
					Subtotal	

CONSOLIDATED FEASIBILITY REPORTS AND FY 1996 REVENUE ESTIMATES

COMMONWEALTH OF MASSACHUSETTS - EXECUTIVE OFFICE OF ADMINISTRATION AND FINANCE

ER	REV. OPP. NUMBER	UNIT OF GOVERNMENT	REVENUE OPPORTUNITY DESCRIPTION	REVENUE SOURCE	COLLECTION METHOD	FY 96 REVENUE PROBABILITY
	066	EOHHS/DMS	Reimbursement for Administrative Expense	Title XIX Admin.	FFP-ISA claiming	142,500.00
					Subtotal	142,500.00
12	047	EOHHS/DMH	Obtaining Medicaid FFP on DMH Administrative Costs	Title XIX Admin.	FFP-ISA and Claiming	466,560.00
	054	EOHHS/DPH	Obtaining Medicaid FFP on DPH Administrative Costs	Title XIX Admin.	FFP-ISA Claiming	540,000.00
	112	EOHHS/DMR	Obtaining Medicaid FFP on DMR Administrative Costs	FFP Admin.	Claiming	389,340.00
					Subtotal	1,395,900.00
13	078	EOPS/MEMA	Use of Tower Antennae Space	Private leasing	Collections	- 810,000.00
					Subtotal	810,000.00
14	090	EOCA	Subscription Services	Fees	Sales	43,200.00
	091	EOCA	List Management	Fees	Sales	3,000.00
					Subtotal	46,200.00
15	095	EOPS/RMV	Motor Vehicle Registration Reinstatement	Fees	Collections	1,723,275.00
					Subtotal	1,723,275.00
16	113	EOHHS/DSS	Medicaid Targeted Case Management for DSS	FFP	Claiming	10,170,000.00
	130	EOHHS/DSS	Municipal Medicaid Claiming for DSS Children	FFP	Claiming	380,700.00
	131	EOHHS/DSS	Expansion of Rehab Option under Medicaid for DSS	FFP	Claiming	1,260,000.00
					Subtotal	11,810,700.00
	118	EO Envir Aff DEM	Marketing Recreational and Eco Tourism Opportunities	Fees	Collections	-
	141	EO Envir Aff/MDC	Concession and Merchandising Opportunities	Fees	Sales	540,000.00
					Subtotal	540,000.00
18	120	EO Envir Aff DEP	Access to DEP Regulatory Information	Fees	Sales	37,500.00
	119	EO Envir Aff DEP	Electronic Permit Filing	Fees	Collections	3,000.00
					Subtotal	40,500.00
19	122	DOR	Interagency Household Income Data Base	Fees	Cost Savings	540,000.00
					Subtotal	540,000.00
20	142	DOR	Expanded Child Support Enforcement	Private	Collections	396,000.00
					Subtotal	396,000.00
21	136	EOE/DOE	Increase Chapter I Education Funding	Federal	Collections	-
	137	EOE/DOE	Obtaining Reimbursements Under the School Lunch Program	Federal	Collections	-
	138	EOE/DOE	Obtaining Reimbursement for Non-Sp. Ed. School Health Services	Title XIX	Collections	-
					Subtotal	
					Total	46,752,310.00

K. Moran

The Commonwealth of Massachusetts

Office of the Comptroller

One Ashburton Place

Boston, Massachusetts 02108

WILLIAM KILMARTIN
COMPTROLLER

Phone (617) 727-5000
FAX (617) 727-2163

MEMORANDUM

To: Rev Opt Team

From: William Kilmartin, Comptroller

Date: September 6, 1995

Re: Rev Opt Incentive Distribution

The purpose of this memo is to document our approach to the distribution of the Rev Opt Incentive Funding. This memo reflects my notes from our discussion on this matter, so perhaps we can review and correct any imperfections at a future meeting. Even though we may choose to not distribute a written correspondence to departments on this topic at this time, the idea is that it would be useful to document our mutual understanding.

Background

The FY96 budget provides for incentives with certain conditions in line item 1599-0033 and section 309. The two parts in concert to provide three possible distributions of incentive funding:

a) when optimized revenue (over the base) hits $15M (net of provider participation payments), the amount of $500,000 incentive funding may be distributed from 0599-0033

b) when optimized revenue (over the base) hits $20M (net of provider participation payments and the preceding incentive distribution) a second amount of $500,000 incentive funding maybe distributed from 1599-0033

c) when optimized revenue (over the base) hits $24M (net of provider participation payments and the two prior incentive distributions) the amount of $4,000,000 incentive funding may be distributed from the Rev Max Fund.

The Summary is as follows:

optimized revenue over the base	
(net of provider participation payments)	$25,000,000
less 1599-0033 distributions	1,000,000
less Rev Max Fund distributions	4,000,000
net revenue for budget balancing	$20,000,000

This concept and approach was documented in correspondence to the House and Senate Committees on Ways and Means, and absent any feedback to the contrary, we believe matches the statutory intent.

Proposal

The $5M worth of incentive funding will be distributed in three iterations, based on proportions of effort and contribution.

The three iterations are described as follows:

a) when optimized revenues hit $15.5M, ANF will hold 10% of $500,000 (or $50,000) in reserve, and distribute $450,000 to departments in proportion to the amount of their contribution to the $15.5M

b) when optimized revenues hit $21.0M, ANF will hold 10% of $500,000 (another $50,000) in reserve, and distribute $450,000 to departments in proportion to the $21.0M

c) when optimized revenues hit $25.0M, ANF will hold 10% of $4,000,000 (another $400,000) in reserve, and distribute $3,500,000 to departments in proportion to the $25.0M

The statutory basis of accounting will be used to measure revenues, and the "iterations" will be performed as soon as the trigger amounts are actualized in MMARS. After the three iterations, ANF will have $500,000 held in reserve, which will need to be distributed to priority policy purposes identified by ANF.

One aspect of this approach that is potentially problematic is the scenario where optimized revenues are for in excess of $25M (for example $40M or $50M). If such a scenario occurs, the incentive funding will already have been distributed (with the possible exception of the $500,000 ANF reserve), so there would be no way to reward those departments that contributed optimized revenue over the $25M mark. If this scenario develops (a sure sign of a successful rev opt campaign) the tentative plan is to go back to the Legislature (in a vehicle such as a supplemental budget) and ask for capacity to distribute additional incentive funding.

K. Moran

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COMPTROLLER

Phone (617) 727-5000
FAX (617) 727-2163

MEMORANDUM

To: Rev Opt Team

From: William Kilmartin, Comptroller

Date: September 6, 1995

Re: Definition of Base and Optimized Revenue

The purpose of this memo is to document our approach to the definition of base revenue and optimized revenue. This memo reflects my notes from our discussion on this matter, so perhaps we can review and correct any imperfections at a future meeting. In the near future, we will probably want to issue some type of confirming correspondence to the House and Senate Committees on Ways and Means and a guidance memo to departments on this topic.

Background

The FY96 budget provides two "tests" that must be satisfied in section 309. One test pertains to the track record of actual collection over the past six years, the second test pertains to the current year revenue budget set forth in section 1B. In addition to the above, the Budget Bureau has a third "test", which is a refinement of the current year revenue budget based on the spending plan process and used as the foundation for the current year fiscal forecast.

According to our reading of section 309, provider participation payments are subject to the "six year test" but not the "section 1B test". This conclusion is based on the definition of net additional revenues set by section 309, which deletes provider participation payments prior to the "section 1B test". Potential departments distributions of incentive funding (from 1599-0033 and the Rev Max Fund) are subject to both the "six year test" and the "section 1B test".

Proposal

Each project will be analyzed by the relevant departments with the Budget Bureau for conformity to the "six year test" and "spending plan test", on a case by case basis. The "six year test" will be based on MMARS RPT 286J reports. If the analysis indicates the project passes the "six year test", this is not a problem and provider participation payments will be allowed. If a project does not pass the "six year test" additional empirical analysis will be completed to ascertain factors which account for such outcome (for example as decreased caseload over the six year timeframe). Based on the review of such additional analysis, an exception to the "six year test" for that project will be granted to that project, again allowing provider participation payments. If a project does not qualify under the "six year test" (or as a special exception to the six year test) or the "spending plan test", provider participation payments under section

309 will not be allowed. However, such projects may be reconsidered under the OSC general contingent fee rev max authority in G.L. chapter 29, section 29E.

Each department will be analyzed with the Budget Bureau for conformity to the "six year test", the "section 1B test", and the "spending plan test". If the analysis indicates the departments passes these tests, this is not a problem and distributions of incentive funding will be allowed. If a department does not pass the "six year test" additional empirical analysis will be completed to ascertain factors which account for such outcome (for example decreased caseload over the six year timeframe). Based on such review, an exception for that department to the "six year test" will be granted, allowing distribution of incentive funding. If a department does not pass the "section 1B test", the Budget Bureau may request a change to section 1B; if adopted, this situation will be resolved; if not, distribution of incentive funding will not be allowed. If a department does not pass the "spending plan test", distribution of incentive funding will not be allowed.

The matrix which shows these definitions is as follows:

Item	6 Year Test *	Section 1B Test	Spending Plan Test
provider payments	√	NA	√
department incentives	√	√	√

*exception may be granted on a case by case review.

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE • BOSTON 02133

WILLIAM F. WELD
GOVERNOR

ARGEO PAUL CELLUCCI
LIEUTENANT-GOVERNOR

CHARLES D. BAKER
SECRETARY

TEL: (617) 727-2040
FAX: (617) 727-2779

September 26, 1995

MEMO TO: Cabinet Secretaries, Agency Heads and Revenue Optimization Coordinators

FROM: Charles D. Baker, Secretary, EOAF

SUBJECT: Our FY 1996 Revenue Optimization Campaign

In recent weeks many of you have been involved in early phases of implementing revenue optimization projects. Despite some understandable uncertainty about how pending federal funding changes will affect state programs, a number of rev opt projects are already off the ground. Others will be initiated in the coming weeks. I don't need to remind you how important this effort is for this year's budget, future federal funding, and setting the table for other state revenue initiatives in years to come.

Please join me for a meeting of all agencies involved in the rev opt campaign, to be held on Thursday, October 5 beginning at 2:30 p.m. in Gardner Auditorium. This session is designed to be part inspirational and part informational: we will have updates on projects underway and also have experts on hand to help with issues you may be confronting in implementing your projects.

Please contact EOAF Chief of Staff Leslie Kirwan at 727-2040 if you have any questions. I look forward to seeing you next week.

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE • BOSTON 02133

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GOVERNOR

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SECRETARY

TEL: (617) 727-2040
FAX: (617) 727-2779

November 6, 1995

Representative Thomas M. Finneran, Chairman
House Committee on Ways and Means
State House, Room 243
Boston, Massachusetts 02133

Dear Chairman Finneran: Tom

I am writing with regard to the FY96 revenue maximization efforts initiated pursuant to Chapter 38 of the Acts of 1995, Section 309. Item 0411-2000 stipulates that no expenditure from the reserve for the executive offices may be made until it has been approved by the Legislature and, further, that 20 percent of the reserve shall be funded from the revenue maximization fund. On November 1, the Governor submitted a reorganization plan for your consideration, which will be reflected in House One when it is filed in January. This letter provides an interim report on the revenue maximization initiative, with formal reports scheduled as required by statute on January 31, 1996 and July 31, 1996.

In July, I assembled a revenue maximization task force comprised of staff from the Executive Office for Administration and Finance, the Budget Bureau, the Comptroller's Office and the Office of Management Information Services. This task force, which is chaired by EOAF Chief of Staff Leslie Kirwan, has met at least weekly since that time to coordinate and monitor the efforts of a large number of state agencies that have identified revenue maximization opportunities.

The shifting proposals for reform in federal programs has required a short term focus on maximizing claims for federal reimbursement for services provided by an array of state human services agencies, primarily under Title XIX (Medicaid) and Title IV-A (AFDC). It is important to distinguish between the projects that will generate revenue free and clear and those entailing future costs that might actually hurt our financial condition in a block grant environment, pursuing the former and not the latter. Even though we have determined not to go forward with a number of revenue opportunities that have been identified in the latter category, we believe the federal reimbursement

opportunities are significant. Specifically, between now and November 15, claims will be filed for a total of slightly over $150 million in federal financial participation. This figure represents an optimistic upper bound on what we could expect to receive; what we will be able to document and secure approval on may ultimately be a much lower figure. However, with this volume of claims, it is reasonable to expect that we will be able to hit the target established in the fiscal forecast.

In addition, many other agencies are pursuing more modest but interesting and ambitious projects. Section 309 has clearly generated a new level of enthusiasm for revenue maximization efforts by providing both the contingent fee procurement authority and incentive funding.

In short, I am confident that the revenue maximization project now underway will generate the planned new revenue. Therefore I believe it is appropriate to make accommodations for the funding of the executive offices for part or all of the second half of the fiscal year, in conjunction with the review of the Governor's reorganization plan. If your staff are interested in project-specific detail, the task force would be happy to provide a briefing.

Sincerely,

Charles D. Baker
Secretary

cc: Leslie Kirwan, Chief of Staff

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
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TEL: (617) 727-2040
FAX: (617) 727-2779

November 6, 1995

Senator Thomas F. Birmingham, Chairman
Senate Committee on Ways and Means
State House, Room 212
Boston, Massachusetts 02133

Dear Chairman Birmingham: Tom

I am writing with regard to the FY96 revenue maximization efforts initiated pursuant to Chapter 38 of the Acts of 1995, Section 309. Item 0411-2000 stipulates that no expenditure from the reserve for the executive offices may be made until it has been approved by the Legislature and, further, that 20 percent of the reserve shall be funded from the revenue maximization fund. On November 1, the Governor submitted a reorganization plan for your consideration, which will be reflected in House One when it is filed in January. This letter provides an interim report on the revenue maximization initiative, with formal reports scheduled as required by statute on January 31, 1996 and July 31, 1996.

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Sincerely,

Charlie

Charles D. Baker
Secretary

cc: Leslie Kirwan, Chief of Staff
Ellen O'Brien, Senate Ways and Means

REVENUE OPTIMIZATION
INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) AND REQUEST FOR PROPOSALS (RFP) GUIDANCE DOCUMENT

INTRODUCTION 2
INTERDEPARTMENTAL SERVICE AGREEMENTS (ISAs) 3
Overview 3
Chronology of Events 3
Revenue Optimization ISA Procedures 4
REQUEST FOR PROPOSALS (RFP) 5
Procurement Manager and Procurement Team (Required) 5
RFP Solicitation Document (Required) 6
Additional Tips for Drafting Scope of Service Portion of RFP 7
Public Notice or Advertisement of Procurement (Required) 9
Evaluation Criteria (Required) 9
Bidders List (Required) 10
Restrictions on Contact with State Personnel During Procurement Process (Required) 10
Bidders Conference (Optional) 10
Submission of Written Questions (Optional) 11
Amendment of Procurement Calendar and RFP (Optional) 11
Cancellation of Procurement (Optional) 11
Submission of Proposals or Bids (Required) 11
Proposal or Bid Corrections (Optional) 12
References (Optional) 12
Oral Presentations/Interviews (Optional) 12
Best and Final Offer (Optional) 13
Disqualification of Proposals (Required) 13
Evaluation of Proposals, Selection of Contractor (Required) 13
Notification of Award (Required) 14
Press Conferences or News Release restrictions (Required) 14
Execution of Standard Contract (Required) 14
Certification of Contractor's Authorized Signatory (Required) 15
Public Information Requests, Trade Secrets, Public Records (Required) 15
Attachment A 16
Attachment B 18
Attachment C 19

REVENUE OPTIMIZATION
INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) AND REQUEST FOR PROPOSALS (RFP) GUIDANCE DOCUMENT

INTRODUCTION

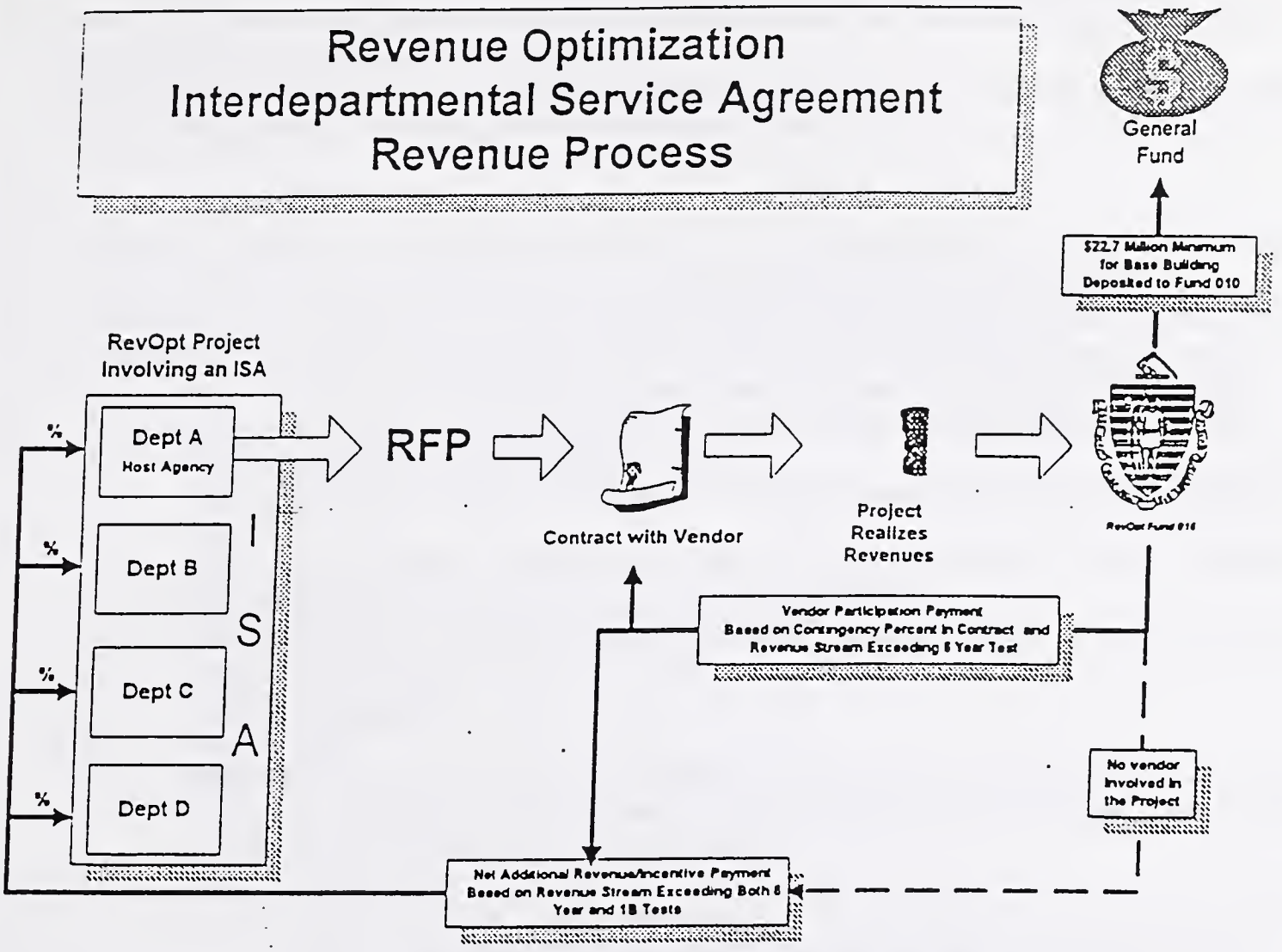
The Secretary of Administration and Finance (ANF) is authorized to identify and pursue projects to optimize non-tax revenue management and collections by the Commonwealth pursuant to Section 309 of chapter 38 of the Acts of 1995 (See Attachment A). This section also authorizes the Secretary, or his designee, to enter into contingent compensation contracts with private vendors to pursue such projects. ANF will provide overall direction and oversight for projects being pursued under Section 309. In addition, ANF may provide technical advice and response to inquiries on state administrative and fiscal policy and procedure and information of a budgeting, accounting and programmatic nature. Managers and staff at ANF possess detailed knowledge of the various programs and systems of the Commonwealth.

Revenue Optimization Projects require departments to perform an analysis of a revenue opportunity which may be eligible for revenue optimization funding. The primary criteria defining a revenue optimization project will recognize only non-budgeted new revenues from either a new or existing revenue stream. Fee increases are not generally considered to be eligible for incentive funding, but existing services that are "re-tooled" to incorporate a value added component may be considered. New revenues and revenue streams will be defined subject to the Fiscal Affairs Division (FAD) and Office of the Comptroller (OSC) approval. Incentive funding will be subject to the guidelines established in accordance with Section 309. A proposal for a revenue optimization project must include all pertinent information, including a cost analysis and revenue estimates for current and future years.

Pursuant to the authorization outlined in to Section 309 of chapter 38 of the Acts of 1995, ANF will designate the specific departments that will enter into Interdepartmental Service Agreements (ISAs) and issue Requests for Proposals (RFPs) for Revenue Optimization Projects. The following pages include guidance for departments that are designated to be involved in Revenue Optimization Projects.

* * * * * * *

This document is intended only as guidance and departments are responsible for completing any related documents and transactions in accordance with their department's internal control, fiscal and legal review policies and procedures.



rev_ds2.vsd Revenue Optimization ISA Distribution Document, 11/01/

INTERDEPARTMENTAL SERVICE AGREEMENTS (ISAs)

Overview

Interdepartmental business includes all types of relationships that occur between departments of the Commonwealth. The most common forms of interdepartmental business come in the form of "Interdepartmental Chargebacks" and "Interdepartmental Service Agreements" also knows as "ISAs". Please refer to MMARS MEMO #230 "Interdepartmental Procedures Manual" for more details.

Departments involved in revenue optimization projects may be required to enter into an Interdepartmental Service Agreement (ISA) with a lead or participating department(s). ISAs fall into either "financial ISAs" involving a financial transfer of funds from one department to another, or "non-financial ISAs" involving a commitment of resources by one or more departments but with no financial transfer of funds between the departments.

The Revenue Optimization ISAs will be a hybrid which has both a primary "non-financial" component and a secondary "financial" component. Instead of completing separate ISA Authorization Forms for the non-financial and financial components of the Revenue Optimization ISAs, a new Revenue Optimization ISA Authorization Form has been developed to consolidate these components (See Attachment B).

Chronology of Events

I. Analysis of revenue optimization opportunity by Lead department.
II. Coordination with ANF and OSC to pursue a proposed revenue optimization project and subsequent approval required prior to "Lead" departments proceeding with implementation.

III. Determination by Lead department that an ISA is necessary with other "Participating" department.
IV. Coordination between Lead department and Participating department and execution of ISA (Attachment B).
V. Signoff by ANF. Filing and approval by CTR.
VI. Upon confirmation of Net Additional Revenues generated by Vendor Contract, payment of incentive payments to Lead or Participating departments consistent with approved rates in ISA.

Revenue Optimization ISA Procedures

1. Determine "Lead" and "Participating" departments. The Lead department is the coordinator for the revenue optimization project with assistance provided by the Participating departments.
2. Designate an "ISA Manager" for the Lead department and Participating department(s). The ISA Manager person will be responsible for all aspects of the ISA outlined in the ISA "Scope of Services" section. The ISA Manager will also serve as the point of contact between the department and the FAD and CTR.
3. Complete Revenue Optimization Interdepartmental Service Agreement (ISA) Authorization Form:
   a) Fiscal Year: Enter the current fiscal year.
   b) ISA Name/Program: Enter a name that will adequately distinguish the Revenue Optimization Project.
   c) Anticipated Start Date: Estimated start date the department will begin project performance. Services may not begin until the ISA has been filed with CTR.
   d) Termination Date: Revenue Optimization ISAs shall remain in effect for the period necessary to complete the project, not to exceed five years.
   e) Involved Departments.
   f) ISA Manager.
   g) Statement of Purpose: Enter the description of the project, including the types of relevant programs in which the departments are currently engaged, and the relationship of the project to the mission and goals of each involved department.
   h) Scope of Services (Page 2. of ISA Form)
      i) Responsibilities of Involved departments: Enter the administrative responsibilities of each involved department as they relate to the successful completion of the project
      ii) Relevant Definitions: Include relevant definitions of program specific terminology that will included elsewhere in the ISA and may also be included in an RFP and the Contract. In addition, inclusion of relevant general laws and regulations that determine the scope of the project are recommended.
      iii) Define the responsibilities of Lead department and Participating departments (Scope of Services). This section should be as detailed as possible and include all duties, expectations, thresholds, procedures, requirements or other relevant information that will be part of the ISA.
      iv) Determine Lead and Participating department contributions to the revenue optimization project. The Revenue Optimization ISAs are primarily non-financial with no fiscal transfer of funds between departments. (If departments are negotiating financial transfers between themselves, the regular ISA Authorization form and process must be followed.) Contributions include the funds, staff or other resources that a department will be committing or expending on behalf of the project.
4. Determine percentage or amount of net additional revenue for Lead department and Participating department. This amount is subject to approval by ANF.
5. Execution of ISA by authorized signatories of the Lead and Participating departments.
6. Filing of ISA with the Office of the Comptroller for review and approval:

The Office of the Comptroller
Revenue Unit
One Ashburton Place, 9th Floor
Boston, MA 02108

7. Actual ISA performance of revenue optimization project begins.
8. Follow up oversight by ANF, FAD and OSC as appropriate.
9. Confirmation of Net Additional Revenues and payment of any incentive payments in accordance with ISA approved rates.

REQUEST FOR PROPOSALS (RFP)

A Lead department may be required to procure a Vendor to perform the revenue optimization services. The following provisions for competitive procurement of Service Contracts are organized progressively, in the same order as a Department would normally proceed when developing and conducting a procurement. Mandatory sections are designated as "Required" and must be completed by the Department or prospective Bidders, as specified. Optional sections are designated as "Optional" and may be completed at the option of the Department. A boilerplate RFP will be made available to departments upon request (Attachment C).

RFP PROCEDURES - OUTLINE

Procurement Manager and Procurement Team (Required)

a) Procurement Manager. A Department shall designate one individual who shall be responsible for the oversight and management of the procurement and shall be named in the solicitation document as the contact person to receive Proposals and respond to other communications from Bidders.

b) Procurement Team. A Procurement Team shall include the Procurement Manager and any other individuals who participate in the selection of a Contractor or assist in the completion of a competitive procurement. The Procurement Team assists in the development of the RFP, drafting evaluation criteria, conducting a Bidders Conference, responding to written questions, evaluating and ranking Proposals, selection of a Contractor or any other assistance that is required during a procurement process. A Procurement Team may include individuals from outside the Department, including the private sector, who can assist the Department or the Procurement Team during the procurement process. The Procurement Team may also include Contract Employees or Independent Contractors.

c) Voting vs. Non-Voting Procurement Team Members.
Procurement Team members may be designated as either "voting" members who may vote on the final selection of a Contractor, or "non-voting" advisory members who may assist the Procurement Team during the procurement process but may not vote on the final selection of a Contractor.
The Procurement Manager will automatically qualify as one voting member of the Procurement Team. A Department Head or designee who will approve the selection of the Contractor and execute the Service Contract on behalf of the Department will also automatically qualify as one "voting" member of the Procurement Team.

d) Number of Procurement Team Members. In the interest of ensuring fairness in the review of responses to a solicitation and the selection of a Contractor, a Procurement Team should include 3 voting members for RFPs.

e) Conflicts of Interest. Procurement Team members may not have any personal interest in the award of the Service Contract and may have no written or oral contact with any potential Bidders during the procurement process without the prior knowledge and approval of the Procurement Manager. Procurement Team members are responsible for immediately notifying the Procurement Manager of any potential conflicts of interest or any contact with potential Bidders during the procurement process.

f) Review of Proposals. Procurement Team members may review proposals independently or jointly. Procurement Team members shall forward the results of any initial reviews for completeness, calculations, ranking or other recommendations to the Procurement Manager

RFP Solicitation Document (Required)

The format and content of the RFP shall be determined by the Procurement Team based upon the complexity of the procurement, and should include, but is not limited to, the following:

a) Department Name. (required) The name of the Department conducting the solicitation, including a mailing address, telephone number, facsimile number or electronic mail address. A Department's letterhead may be sufficient for supplying this information.

b) Department Contact Person. (required) The Procurement Manager who can provide information about the procurement and who will receive Proposals.

c) Procurement Reference Number and Title. A reference number and title should be used to identify the procurement. Procurement Reference Numbers and Titles are also recommended whenever a Department conducts multiple procurements concurrently.

d) Duration of Service Contract. (required) The anticipated duration of a Service Contract.

e) Scope of Services: (required) A detailed description of the scope of services for the proposed Service Contract.

f) Proposed Budget and Costs: (required) Bidders should be encouraged to propose alternative contingency fee scenarios from which the Department may choose and should include any other information or recommendations relevant to the Cost Proposal. The Service Contract awarded pursuant to the RFP will be a performance based, contingency fee contract. For the purposes of the RFP, the Department's obligation to make payments to the successful Contractor shall be contingent upon the Contractor's performance of the services as described in the scope of services. The Department has not been appropriated funding for the Service Contract. Bidders may propose a single schedule of costs or propose alternative cost schedules from which the Department may choose. Bidders proposing alternative cost schedules may submit these as separately packaged which will be evaluated as separate proposals. In the alternative, Bidders may propose alternative cost proposals as separate sections within the same cost proposal, which will be evaluated based upon the entire cost proposal's responsiveness to the Department's service needs and cost effectiveness. The Department is not required to rank cost proposals according to the lowest cost proposed. Cost proposals may be ranked based upon cost effectiveness, flexibility in pricing to fit a Department's changing needs and which cost proposal offers, in conjunction with the Bidder's technical and business qualifications, the most economical and best overall deal or package for the duration of the Service Contract.

g) Procurement Calendar / Deadline Date / Time for Proposal Submissions. (required) The RFP shall identify any relevant dates and events that will be included as part of the procurement. Relevant dates and events include, but are not limited to, the dates, times and locations for submission of Proposals, the Bidders Conference, submission of Written Questions, Oral Presentations or Interviews. Other dates that may also be included are anticipated dates for a Service Contract award, Service Contract execution and the estimated start date of services.

h) Bidder Technical and Business Qualifications. (Required). The RFP shall require Bidders to submit a resume or statement of qualifications outlining the Bidder's experience and capability to fulfill the Department's service needs. Department's may request information detailing the Bidder's overall business experience, current volume of business; previous experience with other state departments or governmental entities; financial capability of providing the required services, identification of any current or pending criminal indictments, criminal or civil litigation or outstanding legal judgments and a principal officer profile., if applicable. The resume or statement of qualification must include a listing of references which shall include any Commonwealth departments or governmental entities for which the Bidder has performed services, or is currently performing services.

i) Key Personnel. (Required). Bidders must identify any staff that will be specifically assigned as "key personnel" to the performance of a Service Contract. The Bidder must identify and include

a resume or a statement of qualifications for all assigned key personnel. The Bidder's Proposal should include a breakdown of the responsibilities of each key person assigned to performance of the Service Contract, the percentage of time that each key person will be dedicated to the Service Contract and the level of responsibility or authority that this individual will exercise during the period of the Service Contract.

j) Contract Manager. (Required) Bidders (employers) must identity an individual who will be assigned as the Contract Manager for the Service Contract and identify whether the Contract Manager is an authorized signatory of the Bidder and who will be authorized to contractually and legally bind the Bidder. Individual Contractors will automatically be considered to be Contract Managers for the Service Contract.

k) Subcontractors. (Required). Independent Contractors must identify whether subcontractors will be required to complete performance under a proposed Service Contract. The RFP may require a Bidder to provide a statement of qualifications or a copy of a subcontract for any subcontractor named in a Bidder's Proposal.

l) Proposal Format and Instructions for Submissions. (Required) The RFP shall identify the format for submission of a Proposal. The use of recycled materials is desirable. Neither the Commonwealth nor the Department shall be liable for any costs associated with a Bidder's preparation or presentation of a Proposal. RFPs should require the submission of a written hard paper copy of a Proposal with the instructions for the format and content of a Proposal. Specifications should indicate restrictions on paper size, type, colors, the number of copies that must be submitted and whether the technical and business qualifications and the Proposed Budget sections of a Proposal or bid must be packaged jointly or separately. Format specifications should encourage simple, cost effective, standard formats and discourage fancy, expensive printed presentations

Additional Tips for Drafting Scope of Service Portion of RFP

a) Identifying Potential Additional Services and Costs as Part of the Procurement.

i) Any Service Contract procurement should include not only the actual services required by the Department but also any potential additional related services and costs that may arise as a natural or customary extension of these services.

ii) If the Department is unable to identify these additional related services and costs, the Department may require Bidders to identify potential additional related services and costs as part of their Proposal or bid.

iii) The identification of additional services and costs shall not bind a Department to use these additional services or to pay any additional costs. If the Department requires the identified additional services, or additional costs are necessary, and sufficient funds are available, the Department will have alleviated the need to complete a new competitive procurement or to seek a waiver in order to take advantage of these additional services and costs.

b) Classifying Specifications in the Solicitation Document as Mandatory or Desirable. When developing specifications for the RFP, the Department should classify listed items, requirements or Bidder qualifications as either mandatory or desirable:

c) Mandatory Items, Requirements and Qualifications. Mandatory items may limit competition so Departments are encouraged to limit mandatory items, requirements or qualifications in the RFP to only those items that are determined to be absolutely necessary for the performance of a Service Contract. Bidders must meet or demonstrate these mandatory requirements in order to be considered responsive to the procurement. Failure to meet mandatory requirements will subject a Bidder's Proposal to disqualification. Items, requirements or qualifications that require flexibility or which a Bidder may be able to propose alternatives or more cost effective or efficient approaches should be classified as desirable. The use of such terms as "must", "shall", "is required" or "it is mandatory" shall be interpreted to be mandatory items.

d) Desirable Items, Requirements and Qualifications. This section should include any non-mandatory but desirable qualifications or requirements that the Department seeks. Bidders will be evaluated based upon the whether they can provide the desirable items or whether they are able to demonstrate or meet the qualifications or requirements. Desirable items, requirements and qualifications may also include items that offer Bidders a way to propose alternative approaches or strategies to the delivery of services, and may provide an opportunity for Bidders to accrue additional points such as bonus points for proposing discounts, credits, price reductions or non-billed hours or services. The use of such terms as "should", "may", "it is desired" or "it is recommended" shall be interpreted to be desirable items.

e) Developing Specifications for a Service Contract Scope of Services

The Department shall develop a scope of services for a proposed Service Contract identifying what services the Department needs or will need for the duration of the Service Contract. When developing specifications for a scope of services, a Department should avoid unnecessarily restrictive conditions that may inhibit competition or discourage proposals from qualified Bidders or will result in higher prices or less cost effective Proposals. A Department may identify "mandatory" qualifications and requirements that a successful Bidder must meet. Bidders that fail to meet the mandatory qualifications will be considered unresponsive and will be disqualified. Mandatory qualifications or requirements should be restricted only to the items or elements that are necessary for performance of the Service Contract. "Desirable" qualifications, specifications or requirements will compose the majority of elements in a scope of services.

The scope of services developed by the Department shall include any mandatory and desirable technical, educational or business qualifications or requirements; any deliverables that must be submitted as an element of performance; any Contractor Materials that may be required during performance; the location(s) where services shall be performed; the hours that services will be required; the duties and responsibilities of the Contractor; performance dates, deadlines, schedule of delivery dates or any other relevant dates of services and whether these dates are flexible target dates or mandatory deadlines. The scope of services shall also include any performance requirements, standards or performance measurements that the Department will use to determine or monitor satisfactory performance, compliance or quality of services.

Specifications in the RFP should identify a scope of services of the Department's service needs including goals, expectations and the required expertise, qualifications, duties and responsibilities of a Contractor. The scope of services of a solicitation document must include as much detail and information about a procurement as is practicable while avoiding unnecessarily restrictive conditions or specifications that may inhibit competition or discourage proposals from multiple qualified Bidders. A solicitation document may not contain specifications that are designed to favor any one particular Bidder. The following items outline some of the specifications that may be included in the scope of services portion of a solicitation document:

1. A detailed description of the tasks involved, the Department's service needs and the objectives to be met. This section may include relevant statutory, legislative or other historical information concerning the Department's objectives, previous delivery of the same or similar services; the role of any other Department that will be involved in the Service Contract and any other additional or relevant information that will assist a Bidder in responding to the procurement;
2. A listing and description of any deliverables to be provided by the Contractor;
3. Any minimum Bidder qualifications, including, but not limited to, educational, business or technical qualifications, years of experience, prior experience performing required services or demonstrated financial capacity to perform the required services;
4. The place(s) or location(s) where the work is to be performed;

5. The threshold delivery times, dates, performance periods, phases or stages of work, minimum or maximum hours of operation or availability or estimated volume of service needs;
6. The performance measurements that will be used to determine a Contractor's satisfactory performance, including periodic programmatic and fiscal status or final reports;
7. Potential additional related services and costs that may arise as a natural or customary extension of these services; or a requirement that the Bidder identify any potential related additional services or costs;
8. A requirement that the Bidder propose a strategy, methodology or approach to the performance for each of the tasks outlined in the scope of services required by the Department;
9. A requirement that the Bidder provide a listing of any Contractor materials that will be required for performance.
10. A requirement that the Bidder provide a listing of any technical, administrative or other support or resources that will be required from the Department in order to complete services;
11. A requirement that the Bidder provide certifications or documentation supporting its qualifications, tax compliance, licenses, insurance coverage, authority of individuals to act as signatories of the Bidder or any other requirements identified in the solicitation document.

Public Notice or Advertisement of Procurement (Required)

a) Public notice of the RFP shall be published in the Goods and Service Bulletin. The Procurement Team may also choose to advertise in a newspaper(s) of wide distribution, trade papers or professional journals targeted for the specific services sought, or posted to an electronic bulletin board designed to obtain the widest possible public notice and opportunity for competition among qualified Bidders. Any additional advertisement or public notice shall be published on or after the publication date of the RFP in the Goods and Services Bulletin.

b) The format for public notice or an advertisement of the RFP should contain the following information which was developed as part of the solicitation document:

i) Department Name. The name of the Department conducting the RFP.

ii) Department Contact Person. The Procurement Manager of the Procurement Team who can provide information about the procurement.

iii) Description of Services. A brief description of the scope of services of the proposed Service Contract or the information sought by the Department.

iv) Compensation. Bidders should be given notice that the Service Contract will be a performance based, contingency fee contract.

v) Duration of Service Contract. The anticipated duration of a Service Contract.

vi) Deadline Date and Time For Submission of Proposals or Bids.

vii) Additional Information. Information on how to obtain a copy of the solicitation document or any other relevant information for the procurement.

Evaluation Criteria (Required)

a) The Procurement Team shall develop evaluation which will be used to evaluate Proposals, to rank Bidders and to select a qualified and cost effective Contractor. The evaluation criteria should determine whether the Bidder has the requisite technical, management and financial ability to perform.

b) In order to ensure fairness in the evaluation of bids or Proposals, evaluation criteria shall be developed and filed with the Procurement Manager prior to the submission or review of any Proposals. The evaluation criteria may be amended by the Procurement Manager at any time prior to the review of any Proposal.

c) The evaluation criteria should indicate whether Bidders will be ranked according to qualifications, cost or a combination of qualifications and cost. The evaluation criteria may also include categories to evaluate Proposals based upon the quality of content, organization, clarity of presentation, attention to details and the overall responsiveness of the Proposal. The evaluation criteria should include any may also set standards for disqualifying unresponsive Proposals.

d) The criteria used to evaluate, rank, select or disqualify a Bidder must reflect requirements that are specified in the RFP. Bidders must have notice in the solicitation document of any mandatory requirements or preferences and bonus points that will be given for certain criteria. Bidders should be informed in the RFP if certain sections of the Proposal will be weighted more heavily than others.

e) Secondary sources of information, hearsay or any other ex parte communications or considerations that are not included in the solicitation document, the evaluation criteria or a Bidder's Proposal may not be raised or considered in the evaluation, selection or ranking of a Bidder. Personal knowledge of members of the Procurement Team, Department staff or any other individual, regarding the Bidder may only be raised and considered by the Procurement Team if submitted in the form of a written reference. These written references may also include information compiled by the Procurement Team during reference checks and information provided by other Departments who have previously contracted with the Bidder. The Procurement Team shall conduct an Oral Presentation or Interview if further clarification of a Proposal or bid is required.

Bidders List (Required)

The Procurement Team shall keep a separate Bidders List for every procurement. The Bidders List shall include all prospective Bidders who have requested a copy of the RFP, all prospective Bidders contacted pursuant to the RFP solicitation, individuals who attend a Bidder's Conference, Bidders who have submitted written questions, and anyone who requests placement on the Bidders List. Bidders are responsible for providing the Procurement Manager with their name, mailing address, telephone number and facsimile number. No other Bidder shall have a right to further notice under a competitive procurement except as provided in this section.

Restrictions on Contact with State Personnel During Procurement Process (Required)

Bidders shall be prohibited from any contact with State personnel of the Department or any other Department involved in a procurement, including Procurement Team members, except as authorized by the Procurement Manager. This restricted contact shall begin from the date the Procurement Team is selected and remain in effect until a Service Contract is executed with a selected Contractor. Any prospective Bidder that is currently under contract with the Department shall limit its contact with Department personnel to the degree necessary to complete performance under that contract and shall not discuss the RFP. Any contact with Department staff or the Procurement Team must receive prior written approval from the Procurement Manager. Unauthorized communications may be considered sufficient cause to disqualify a Bidder's Proposal.

Bidders Conference (Optional)

The Procurement Team may choose to hold a Bidders Conference to enable potential Bidders to ask questions and receive additional information concerning the procurement. A Bidders Conference may also be used as an opportunity for a site visit or facility walk-through. The date, time and location of a Bidders Conference shall be included in the solicitation document, and the Procurement Team, at its option, may conduct a Bidders Conference at multiple locations, times or dates. Oral answers to questions presented at a Bidders Conference shall be binding unless the Procurement Team specifies, either in the solicitation document or at the Bidders Conference, that only written answers distributed in response to posed questions shall be binding. If a Procurement Team chooses to distribute written answers to

questions presented at a Bidders Conference, such answers shall be mailed or sent by facsimile to all Bidders on the Bidders List not less than five business days prior to the deadline for submission of Proposals or bids.

Submission of Written Questions (Optional)

The Procurement Team may choose to accept written questions from potential Bidders concerning the procurement, or to clarify sections in the solicitation document. The solicitation document shall contain the deadline date and time for submission of written questions and should indicate the acceptable mediums for submission (mail, fax, electronic mail etc.). Written answers to the questions submitted shall be mailed or sent by facsimile to all Bidders on the Bidders List not less than five business days prior to the deadline for submission of Proposals. A Procurement Team may accept the submission of written questions in lieu of, or in addition to, a Bidders Conference. The Procurement Manager shall have full discretion to reject any unsolicited written questions, or in the alternative, provide a written response which shall be sent to all Bidders on the Bidders List.

Amendment of Procurement Calendar and RFP (Optional)

a) The Procurement Team may, at any time prior to the award of a Service Contract, and without penalty, amend a procurement, RFP or change the procurement calendar as the Procurement Team deems necessary. The Procurement Team shall send by mail, facsimile or other electronic medium, notice of any amendments to all Bidders on the Bidders list.

b) In the event it becomes necessary for a Procurement Team to make a major amendment or significant change to the scope of the original procurement, one which might result in encouraging additional Bidders to submit proposals, a Procurement Team shall have the option to amend the procurement and re-advertise the amendment in the same manner as the original procurement was advertised, or in the alternative, cancel the procurement and begin a new procurement. If a major amendment is made after the deadline for submission of the Proposal or other response, the Procurement Team must allow current Bidders to either resubmit new Proposals, bids or amendments to currently submitted Proposals. The Procurement Team shall also allow submissions from any new Bidders. A Procurement Team shall allow at least the minimum period for submissions of any new or amended Proposals.

Cancellation of Procurement (Optional)

The Procurement Team may, at any time prior to the execution of a Service Contract, and without penalty, cancel the procurement and reject all Proposals whenever a fair and open competitive procurement has been compromised, Proposals or bids to a solicitation are materially unresponsive to the Department's needs, a Department requires a major amendment to the RFP which materially changes the procurement, the Department longer requires the proposed services or whenever the Procurement Team determines that such action is in the best interests of the Department or the State. The Procurement Team shall provide written notice of the cancellation of the procure, stating the reason(s) for the cancellation, to all Bidders on the Bidders list.

Submission of Proposals or Bids (Required)

a) The Procurement Team shall allow at least 15 calendar days from the date of publication in the Goods and Services Bulletin for the preparation and submission of Proposals or bids in response RFPs. RFPs require hard copy paper Proposals or bids. A facsimile or other electronic submission of a Proposal or bid shall not qualify as a "submission" for deadline purposes in advance of or in lieu of a hard copy submission. Prospective Bidders shall be responsible for confirming actual receipt of a Proposal. Proposals must be kept sealed and in a secure location until the deadline for submission of Proposals. Proposals may be opened by the Procurement

be considered prejudicial to the interests of other Bidders and to fair competition and shall not be permitted. A Bidder's attempt to submit such corrections, modifications or supplemental information during an Oral Presentation may subject the Bidder's Proposal to disqualification.

Best and Final Offer (Optional)

If the top Bidders are ranked closely in points, or if the Procurement Team is unsatisfied with the submitted Proposals, a Procurement Team may provide the top ranked Bidders with an opportunity to provide a "Best and Final Offer" or final bid. A Procurement Team may restrict the number of Bidders selected for an opportunity for a Best and Final Offer. The terms of the Best and Final Offer shall be the same for all Bidders and the Procurement Team may identify specific sections of the Proposal that should be addressed. The terms of the Best and Final Offer may not contain any material change in the scope of services identified in the solicitation document or specify any new criteria or requirements as a basis for Bidders to make a Best and Final Offer, with the limited exception that Bidders may be asked to propose additional discounts, benefits, cost reductions or savings that were not previously presented in the Bidder's Proposal. Selected Bidders are not required to submit a Best and Final Offer and may submit a written response notifying the Procurement Team that their Proposal remains as originally submitted. The terms of the Best and Final Offer may not identify either the current rank of any of the Bidders selected for a Best and Final Offer or the lowest costs currently proposed.. A Best and Final Offer shall be used as opportunity to allow a Bidder to improve, not redesign portions of a Proposal. A Procurement Team will have full discretion to accept or reject and information submitted in a Best and Final Offer.

Disqualification of Proposals (Required)

a) Late Proposals. Proposals which are received after the deadline date and time specified in the RFP shall be automatically disqualified. Late proposals, regardless of extenuating circumstances, may not be accepted for consideration by the Procurement Team for any reason.

b) Nonresponsive Proposals. Proposals which are not responsive or which fail to comply with material requirements in the RFP shall be deemed nonresponsive and shall be disqualified. A Proposal shall be deemed nonresponsive if it fails to comply with any requirement specified in the RFP, including but not limited to, the failure to address any required item, a Bidder's failure to meet a mandatory requirement, the submission of an insufficient number of required photocopies of a Proposal, submission of a Proposal in a incorrect format or failure to submit a performance bond as specified in the RFP.

c) Collusion. Collusion by two or more Bidders agreeing to act in a manner intended to avoid or frustrate open and fair competition is prohibited and shall be grounds for rejection or disqualification of a Proposal or termination of a Service Contract.

d) Debarred Bidders or Subcontractors. No Department shall knowingly award a Service Contract to any Bidder, or approve a subcontract to any party, which is currently subject to any state or federal debarment order or determination, including but not limited to Executive Order 147, M.G.L. c.29, §29F and M.G.L. c. 152, §25C. If a Bidder's Proposal is dependent upon the services of a named subcontractor and the disqualification of the named subcontractor would materially alter the Proposal, then that Proposal shall be deemed unresponsive if the named subcontractor is found to be debarred. Proposals or bids which indicate that subcontractors will be used but do not rely on a specified or named subcontractor shall not be deemed unresponsive if the disqualification of a proposed subcontractor will not materially alter the Proposal.

Evaluation of Proposals, Selection of Contractor (Required)

a) The Procurement Team members shall review all timely submitted Proposals and determine whether the Proposals are responsive based upon the evaluation criteria. The Procurement Team voting members shall rank the Bidders based upon the evaluation criteria and make a

Manager and distributed to the Procurement Team only after the deadline date and time for submission of Proposals.

b) Record of Receipt of Proposals or bids. The Procurement Team shall be responsible for ensuring that a record is kept of the date and time of receipt of all Proposals.

c) Joint Proposals from Multiple Bidders. Two or more Bidders may submit a joint Proposal in response to the RFP. A jointly submitted Proposal must designate only one Primary Bidder and the remaining joint Bidders may be designated as subcontractors or as members of a joint venture. The Primary Bidder shall be legally responsible for ensuring full performance under a Service Contract.

d) Duration of Proposals or Bids. Unless a longer period is specified in the RFP, all Proposals submitted in response to the RFP shall remain in effect for 120 days from the deadline date for submission of Proposals, or until the date a Service Contract is executed with a Contractor, whichever is less.

Proposal or Bid Corrections (Optional)

The Procurement Manager shall have full discretion to determine whether to allow a Proposal correction. Bidders shall be accorded fair and equal treatment with respect to any opportunity for correction of minor informalities in a Proposal. Minor informalities are matters of form rather than substance and include clerical errors or minimal or insignificant mistakes that can be corrected without prejudice to other Bidders. Mistakes in Proposals which are clearly evident, such as typographical errors, transposition errors or arithmetical errors where the correct answer is obvious, may be corrected by the Bidder or waived at the Procurement Manager's option. However, no correction of Proposal prices, terms and conditions or the submission of supplemental information prejudicial to the interests of other Bidders or to fair competition shall be permitted. A Procurement Team shall conduct Oral Presentations or Interviews, if the Procurement Team requires additional clarification of information contained in Proposals or bids.

References (Optional)

The Procurement Team shall have the right to verify any references included in a Bidder's Proposal and to conduct any other reference or credit checks as the Procurement Team deems appropriate. The Procurement Team may consider any written references, including documented performance records of a Bidder on file at the Department or submitted to the Department during the procurement process. The Procurement Team shall provide a Bidder with an opportunity to rebut in writing or at an Oral Presentation or Interview, any negative written reference that was submitted to the Department during the procurement process that the Procurement Team will consider in ranking the Bidder.

Oral Presentations/Interviews (Optional)

The Procurement Team may invite selected Bidders to present their Proposal or answer questions at an Oral Presentation or an Interview. Oral Presentations provide the Procurement Team with an opportunity to observe and evaluate a Bidder through the presentation of the Bidder's Proposal. A Procurement Manager may limit the number of Oral Presentations conducted. The Procurement Manager shall have full discretion in scheduling the location and time of Oral Presentations. The time allotments and format of Oral Presentations which shall be the same for all Bidders. The Procurement Manager may waive the location and medium of an Oral Presentation upon the written request of a Bidder due to special hardships, such as a Bidder with disabilities or limited resources. In these circumstances the Procurement Team may conduct Oral Presentations through an alternative written or electronic medium (e.g., telephone, video conference, TTY, Internet). The Procurement Manager may require the Bidder's assigned key personnel to conduct the Oral Presentation. A Bidder is limited to the presentation of material contained in its Proposal, with the limited exception that a Bidder may address specific questions posed by the Procurement Team or provide clarification of information contained in their Proposal. Any correction or modification of Proposal or bid prices or the presentation of supplemental information shall

recommendation for an award of a Service Contract, which may include one of the following options:

b) To a qualified Bidder who proposed the lowest cost according to the evaluation criteria;

c) To the highest ranked qualified Bidder according to the evaluation criteria;

d) To a qualified Bidder that is a certified minority or women's business (MBE) enterprise;

e) When multiple Contractors are selected, to the "pool" of qualified Bidders who were ranked based upon the lowest cost or the highest qualified Bidders according to the evaluation criteria..

f) To a qualified Bidder that was not ranked the lowest in cost or the highest ranked qualified Bidder, but who the Procurement Team has determined is the best choice for completing the required services. A Department is not required to award a Service Contract to the highest ranked qualified Bidder or to the lowest cost proposal and may award a Service Contract to the Bidder that offers the most economical and best overall deal or package for the duration of the Service Contract. If the Department awards a Service Contract to a Bidder who did not submit the lowest cost Proposal nor was ranked the highest among the responsive and qualified Proposals, the Department shall prepare a justification statement describing the circumstances surrounding the decision, explaining why the Proposal is appropriate and justifying why the selection is in the best interests of the Department and the Commonwealth.

Notification of Award (Required)

a) The Procurement Team shall provide written notification of a Service Contract award to all Bidders who submitted written Proposals in response to the RFP. Oral, facsimile or electronic notification may be provided to Bidders. The Procurement Team shall be under no obligation to provide written notice of a Service Contract award to any prospective Bidder on the Bidders List who did not submit a written response to a procurement. The Procurement Team, at it option, may include the name of the successful Service Contract awardee(s) as part of the notification.

b) Notice of a Service Contract award to a successful Bidder shall identify any language which has been stricken from the Bidder's Proposal. The Procurement Team may notify the top ranked unsuccessful Bidders that they are eligible for an award of an Interim Service Contract unless their Proposal is withdrawn in writing.

Press Conferences or News Release restrictions (Required)

No Bidder or Service Contract awardee shall make any press conference, new releases or announcements concerning its selection or non-selection for a Service Contract prior to the Department's public release of said information or prior to the written approval of the Procurement Manager.

Execution of Standard Contract (Required)

An authorized signatory of the Department and a Contractor must execute a Standard Contract for any Service Contract awarded. The scope of the Service Contract is limited to the information contained in the RFP and the Service Contract awardee's Proposal. Neither the Department nor the Contractor may add any additional terms and conditions or change the terms and conditions contained in either the original RFP or the Contractor's Proposal, provided however, that clarification of the details or the parties understanding of the interpretation of these terms and conditions is permissible. A Contract awardee may be disqualified if the Department determines that the Service Contract awardee is intentionally or unreasonably delaying the timely execution of the Service Contract or if the Service Contract awardee conditions execution of the Service Contract upon the Department's acceptance of additional or amended terms and conditions. If a Service Contract awardee is disqualified, for any reason, the Department may award a Service Contract to the next ranked qualified Bidder.

Certification of Contractor's Authorized Signatory (Required)

Departments are responsible for verifying that the individual executing a Service Contract on behalf of a Contractor is an authorized signatory for the Contractor. An authorized signatory is a legal representative who may execute contracts and legally bind a Contractor. Departments are also responsible for verifying that the signature appearing on the Service Contract was made personally by the authorized signatory. Signature stamps and signatures "on behalf of" an authorized signatory are prohibited.

Public Information Requests, Trade Secrets, Public Records (Required)

A Department shall maintain all records associated with the award of a Service Contract. All Proposals and related documents of the procurement shall become the property of the Commonwealth and shall be considered a public record under M.G.L. c. 4, §7 and M.G.L. c. 66, §10 at the conclusion of the competitive procurement process or upon execution of a Service Contract. Unless otherwise provided by law, written disclaimers by a Bidder, including the identification of trade secrets in a Proposal, shall provide no exemption of the Proposal from public release under this section. These records shall be retained by the Department for a period to be determined by the Records Conservation Board pursuant to M.G.L. c.30, §42.

Attachment A

CHAPTER 38. APPROPRIATIONS--FISCAL YEAR 1996

SECTION 309. Notwithstanding the provisions of any general or special law to the contrary, except for sections fifty-two to fifty-five, inclusive, of chapter seven of the General Laws, the secretary of administration and finance is authorized and directed to identify and pursue projects to optimize non-tax revenue management and collections by the commonwealth. The secretary or his designee is authorized to enter into contracts with private vendors, and to enter into interagency service agreements with departments, to identify and pursue said projects. Private vendors shall be compensated from non-tax revenues collected by such projects in excess of the non-tax revenues established by said contracts as the minimum to be collected by each such project. For the purposes of this section, such payments to vendors for services performed shall be known as "vendor participation payments" and non-tax revenue collected pursuant to this section, after deduction of vendor participation payments, shall be known as "net additional revenue". The terms "departments" or "participating departments" shall mean any department, agency, board, commission, office or institution under the executive control of the governor or other constitutional officers and determined by the secretary to be participating in the revenue optimization projects authorized by this section.

In no case shall a vendor be compensated nor a department receive an allocation or reallocation for collection of a fee or any other non-tax revenue from which the commonwealth collected revenues in any fiscal year between nineteen hundred and ninety through nineteen hundred and ninety-five, inclusive, if the net additional revenue attributable to the collection of said fee or other non-tax revenue is less than the highest amount of revenue collected from said fee or other non-tax revenue in any of the aforementioned fiscal years; provided further that said net additional revenues shall only be those amounts collected which are in excess of the amounts projected in section one B of this act for each department, office, commission and agency. The commonwealth shall retain all rights in software programs developed pursuant to any contract executed under this section.

The comptroller shall deposit in the revenue maximization fund, established by section two R of chapter twenty-nine of the General Laws, all monies collected pursuant to the provisions of this section. The comptroller is hereby authorized to allocate from said fund, upon direction of the secretary of administration and finance, up to four million dollars to participating departments; provided, that any amount so allocated shall be in excess of the first twenty million dollars in net additional revenues credited to said fund consistent with this section and item 1599-0033 in section two. The comptroller shall transfer to the General Fund at the close of the fiscal year, after providing for vendor participation payments, the first twenty million dollars in net additional revenues and any balance remaining in said fund after providing for said allocations. No expenditure shall be made from said revenue maximization fund which would cause said fund to be in deficit at the close of the fiscal year.

Departments receiving allocations pursuant to said item 1599-0033 and this section may expend such funds without appropriation after obtaining the written approval of said secretary or his designee of a plan detailing said proposed expenditures and filing said approved plan with the house and senate committees on ways and means. All expenditures made pursuant to the provisions of this section and item 1599-0033 of this act shall be for one-time expenses which shall not recur in fiscal year nineteen hundred and ninety-seven or a subsequent fiscal year. No expenditures authorized by the provisions of this section and said item shall supplant funds appropriated in any item of appropriation in sections two or two B of this act or in sections two or two A of any supplemental appropriations act enacted in fiscal year nineteen hundred and ninety-six or a subsequent fiscal year. For the purposes of this section, the term "supplant" shall be defined as expenditures made for any purpose which receives an appropriation in this act or a subsequent appropriation act. Any unexpended balance from said allocations at the end of each fiscal year shall revert to the General Fund unless said spending plan has been approved by the secretary as a multi-year expenditure.

The comptroller shall report on or before the last day of January to the house and senate committees on ways and means on the results and operations of the revenue optimization projects authorized by this section, for the six month period ending the preceding month. Such information shall detail by each vendor, project and department: the amount of vendor participation payments paid to each such vendor, the net additional revenues retained by the commonwealth, the amounts allocated or reallocated to each such participating department pursuant to said item 1599-0033 and this section and the estimated annual receipts, payments and allocations for the fiscal year.

The comptroller shall report to the house and senate committees on ways and means on or before July thirty-first of each year the preceding information for the prior fiscal year and the total of all vendor participation payments made to each vendor and the net commonwealth receipts collected by each project over the duration of the project.

On or before July thirty-first of each fiscal year, the comptroller, after approval of said secretary, shall submit to the house and senate committees on ways and means a plan detailing by executive office and department the net additional revenues estimated to be collected under the provisions of this section in the fiscal year.

The provisions of this section shall remain in effect until June thirtieth, nineteen hundred and ninety-eight.

Attachment B

ISA AUTHORIZATION FORM

COMMONWEALTH OF MASSACHUSETTS – OFFICE OF THE COMPTROLLER (CTR)
REVENUE OPTIMIZATION
INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) AUTHORIZATION FORM

Fiscal Year: _____

This Section for Comptroller Use Only.

Account ID : ___ ___ _____ _____ _____ RevOpt ID : RO _____ _____
Document Dept Org Number Dept Number

Completed Forms should be submitted to: The Office of the Comptroller c/o Revenue Optimization Unit One Ashburton Place 9th Floor Boston, MA 02108 (617) 727-5000

ISA NAME/PROGRAM:	
ANTICIPATED START DATE OF ISA _____/_____/_____ Departments may not start services prior to the execution of this ISA and approval of this ISA by CTR.	TERMINATION DATE OF ISA:_____/_____/_____ Termination date should include the period during which services are performed and any measurement period which extends beyond the performance of services.

DEPARTMENT A:	*DEPARTMENT B:*
ISA MANAGER (Individual Responsible for Depeartment A's Performance under ISA):	ISA MANAGER (Individual Responsible for Department B's Performance under ISA):
PHONE: E-Mail or Internet Address:	PHONE: E-Mail or Internet Address:

DEPARTMENT C:	*DEPARTMENT D:*
ISA MANAGER (Individual Responsible for Department C's Performance under ISA):	ISA MANAGER (Individual Responsible for Department D's Performance under ISA):
PHONE: E-Mail or Internet Address:	PHONE: E-Mail or Internet Address:

COMMONWEALTH OF MASSACHUSETTS – OFFICE OF THE COMPTROLLER (CTR)

REVENUE OPTIMIZATION

INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) AUTHORIZATION FORM

Completed Forms should be submitted to: The Office of the Comptroller c/o Revenue Optimization Unit One Ashburton Place 9th Floor Boston, MA 02108 (617) 727-5000

ISA NAME/PROGRAM: _____

SCOPE OF SERVICES Include statement of purpose of ISA; responsibilities of all the parties; any relevant definitions; a schedule of performance or completion dates, including the peri
performance of services and the measurement period for the collection of revenues and calculation of optimized revenues; include any contingency requirements such a federal filing deadlines,
performance measurement timelines, milestones, if applicable. If Department personnel will be assigned to performance of the ISA, Departments must identify the individual(s), position(s),
percentage of time assigned to ISA and specific responsibilities under the ISA. [*Attach as many additional pages as necessary if this page is not sufficient.*].

COMMONWEALTH OF MASSACHUSETTS – OFFICE OF THE COMPTROLLER (CTR)
REVENUE OPTIMIZATION
INTERDEPARTMENTAL SERVICE AGREEMENT (ISA) AUTHORIZATION FORM
Completed Forms should be submitted to: The Office of the Comptroller c/o Revenue Optimization Unit One Ashburton Place 9th Floor Boston, MA 02108 (617) 727-5000

ISA NAME/PROGRAM: _____

DEPARTMENT A: Total % or Amount Approved for Net Additional Revenues: _____	*DEPARTMENT B:* Total % or Amount Approved for Net Additional Revenues: _____
AUTHORIZED SIGNATORY: By signing below the Department A certifies under the pains and penalties of perjury that it is legislatively authorized to enter into this ISA and that this ISA complies with 815 CMR 6.00 and 8.00 and all other requirements of law: Authorized Signatory: X _____ Print Name: _____ Title: _____ Date: _____	AUTHORIZED SIGNATORY: By signing below the Department B certifies under the pai and penalties of perjury that it is legislatively authorized to enter into this ISA and that thi ISA complies with 815 CMR 6.00 and 8.00 and all other requirements of law: Authorized Signatory: X _____ Print Name: _____ Title: _____ Date: _____
DEPARTMENT C: Total % or Amount Approved for Net Additional Revenues: _____	*DEPARTMENT D:* Total % or Amount Approved for Net Additional Revenues: _____
AUTHORIZED SIGNATORY: By signing below the Department C certifies under the pains and penalties of perjury that it is legislatively authorized to enter into this ISA and that this ISA complies with 815 CMR 6.00 and 8.00 and all other requirements of law: Authorized Signatory: X _____ Print Name: _____ Title: _____ Date: _____	AUTHORIZED SIGNATORY: By signing below the Department D certifies under the pai and penalties of perjury that it is legislatively authorized to enter into this ISA and that thi ISA complies with 815 CMR 6.00 and 8.00 and all other requirements of law: Authorized Signatory: X _____ Print Name: _____ Title: _____ Date: _____

Attachment C

BIOLERPLATE RFP

TABLE OF CONTENTS

1.0 OVERVIEW OF PROCUREMENT 4
1.1 Department 4
1.2 Introduction and Purpose Of Procurement 4
1.3 Authority For Procurement 4
1.4 Overview of Departments Involved 4
1.5 Compensation 5
1.6 Duration Of The Service Contract 5
1.7 Performance Dates 5
1.8 Performance Measurements 5
1.9 Conferences And Management Meetings 5
1.10 Relevant Background Information for Procurement 6
2.0 PROCUREMENT TERMS AND CONDITIONS 6
2.1 Procurement Manager and Department Contact Person 6
2.2 Restrictions on Contact 6
2.3 Execution of Standard Contract. 7
2.4 Bidders List 7
2.5 Bidders Conference 7
2.6 Written Questions 7
2.7 Oral Presentations 7
2.8 Reasonable Accommodation 8
2.9 Amendment Or Cancellation Of Procurement 8
2.10 Proposal Corrections 8
2.11 Disqualification of Proposals 8
2.12 Press Releases 9
2.13 Public Records 9
3.0 PROPOSAL FORMAT AND SUBMISSION 9
3.1 Deadline for Submission Of Proposals 9
3.2 Joint Proposals Submitted by Multiple Bidders 9
3.3 Format 9
3.4 Packaging Of Proposals 9
3.5 Table Of Contents 10
4.0 PROPOSAL SECTION A: TECHNICAL AND BUSINESS QUALIFICATIONS 10
4.1 Firm Profile 10
4.2 Relevant Business Experience 10
4.3 Summary of Scope of Service (Task Plan) 11
4.4 TASK 1: *[TITLE]* 11
4.5 TASK 2: *[TITLE]* 11
4.6 Previous Experience With Other Commonwealth Entities 11
4.7 Contract Manager 11
4.8 Key Personnel 11
4.9. References 12
4.10 Statement Of Financial Position 12
4.11 Authorized Signatories Of The Bidder 12
4.12 Subcontractors 13
4.13 Minority Contractors, Affirmative Action & Anti-Discrimination 13
4.14 Surety Bond or Other Insurance Requirements 14
4.15 Professional Licensing and Tax Compliance 14
4.16 Corporate Certificates and Reports 14

5.0 PROPOSAL SECTION B: PROPOSED BUDGET AND COSTS 14

5.1 PROPOSED BUDGET AND COSTS 14

ATTACHMENTS

Acts of 1995, Chapter 38, Section 309
Definitions
Regulations; 815 CMR 8.00
Commonwealth of Massachusetts Standard Contract - Long Form with Instructions

1.0 OVERVIEW OF PROCUREMENT

1.1 Department

This Request for Proposals (RFP) is issued by the Commonwealth of Massachusetts through the Department *[INSERT DEPARTMENT NAME HERE]*

1.2 Introduction and Purpose Of Procurement

The Department seeks proposals from qualified Bidders to:

[INSERT BRIEF DESCRIPTION OF THE PURPOSE OF THE PROCUREMENT HERE]

1.3 Authority For Procurement

The specific authorization for this Project is provided by Acts of 1995, Chapter 38, Section 309 (ATTACHMENT X) .

This RFP is issued pursuant to 815 CMR 8.00 and Massachusetts General Laws Chapter 29, Section 29E which authorizes revenue Optimization efforts for state agencies on a contingent fee basis

1.4 Overview of Departments Involved

Role of the Department

[DESCRIBE DEPARTMENT MANDATE, GOALS OF DEPARTMENT AND HOW PROCUREMENT WILL SUPPORT OR FULFILL DEPARTMENT MANDATE].

Role of the Executive Office of Administration and Finance (ANF)

The Executive Office for Administration and Finance is statutorily responsible for:

- Developing, coordinating, administering and controlling the financial policies and programs of the Commonwealth;
- Supervising the organization and conduct of the business affairs of the departments, commissions, offices, boards, divisions, institutions and other agencies within the executive department of the government of the Commonwealth; and
- Developing new policies and programs which will improve the organization, structure, functions, economy, efficiency, procedures, services and administrative practices of all such departments, commissions, offices, boards, divisions, institutions and other agencies.

Section 309 of chapter 38 of the Acts of 1995 authorized the Secretary of ANF to identify and pursue projects to identify and pursue projects to optimize non-tax revenue management and collections by the Commonwealth. This section also authorizes the Secretary, or his designee, to enter into contingent compensation contracts with private vendors to pursue such projects. Pursuant to this authorization, the Secretary has designated *[INSERT NAME OF DEPARTMENT]* to issue this RFP for revenue optimization services.

While *[INSERT NAME OF DEPARTMENT]* will be the contracting party to any contract that may result from this RFP, and is responsible for contract management and oversight, ANF will be providing overall direction and oversight for projects being pursued under Section 309. In addition, the Executive Office for Administration and Finance may provide technical advice and response to inquiries on state administrative and fiscal policy and procedure and information of a budgeting, accounting, and programmatic nature. Managers and staff at ANF possess detailed knowledge of the various programs and systems of the Commonwealth.

Role of Other Departments in Procurement.

[INSERT ROLE OF ANY OTHER DEPARTMENTS (HOST OR OTHER) THAT WILL BE INVOLVED DIRECTLY OR INDIRECTLY WITH SERVICES UNDER THE CONTRACT]

Role of the Office of the Comptroller. The Office of the Comptroller operates and manages the Commonwealth's accounting and reporting system (the Massachusetts Management Accounting and Reporting System known as MMARS) for 154 departments with annual operating budgets of approximately $16.5 billion dollars of revenue (budgeted funds only).

The Office of the Comptroller is responsible for designing and installing uniform accounting systems for the Commonwealth, maintaining the Commonwealth's general books of account, establishing controls over financial record-keeping, promote compliance with accounting policy and practice, producing the Commonwealth's financial reports, and providing guidance to Commonwealth Departments for revenue Optimization through 815 CMR 8.00.

The Office of the Comptroller will provide:

- Technical advice and responses to inquiries on MMARS, policies, procedures and practice, including documentation such as the MMARS Policy and Procedures Manual and the BARS Policy and Procedure Manuals
- Formal orientation to MMARS and other topics, as well as additional structured training, as requested by the Contractor, including system use;
- Standard and ad hoc MMARS reports according to an agreed upon schedule;
- Assistance with developing an approach to and review of internal controls;
- Access to the Billing and Accounts Receivable System (BARS);
- Access to data through the Wide Area Network (WAN)
- Managers and staff at the Office of the Comptroller possess detailed knowledge of the various components and subsystems in MMARS as well as the rules and regulations which govern the Commonwealth's financial practices. As needed, staff from the Office of the Comptroller will assist the Contractor when working with the specified Department.

The Office of the Comptroller has made a strong commitment to training. A full-time training team and manager are dedicated to providing state agencies with a full range of training programs on all aspects of MMARS. The training unit can facilitate the attendance of staff from the Contractor at these training programs. The Office of the Comptroller will also arrange introductory meetings with Department personnel and staff as required and work closely with all concerned to facilitate timely and fruitful achievement of the pilot project's objectives.

1.5 Compensation

The contract awarded pursuant to this RFP shall be a performance based, contingency fee contract. For the purposes of this RFP, the Department's obligation to make payments to a successful Contractor shall be contingent upon the Contractor's successful performance of the scope of services outlined in this RFP.

The Department has not been appropriated funding for this contract. Payments to the Contractor shall be made from the resulting revenue Optimization performed by the Contractor. Notwithstanding the provisions of payments as set forth in this RFP, the maximum amount that may be paid to the Contractor during the life of the Contract shall not exceed: *$ [INSERT MAXIMUM CAP AMOUNT, IF APPLICABLE.*].

1.6 Duration Of The Service Contract

The anticipated duration of the Service Contract awarded pursuant to this RFP shall be:

[INSERT DURATION OF SERVICE CONTRACT. THIS SHOULD INCLUDE BOTH THE MAXIMUM PERIOD FOR COLLECTIONS AND SERVICES AND ANY PERIOD OF TIME BEYOND THE END OF SERVICES DURING WHICH REVENUES COLLECTED WILL BE CALCULATED TOWARDS MAXIMIZED REVENUES.]

INDICATE ANY OPTIONS TO RENEW, MAXIMUM PERIOD AFTER THE END OF SERVICE S

The fee schedule, scope of services and budget submitted in a Bidder's Proposal will not be increased for the duration of the Service Contract.

1.7 Performance Dates

The following are relevant performance dates, deadlines, schedule of delivery dates and other relevant dates of services that will be required:

[INSERT RELEVANT INFORMATION HERE, AND INDICATE WHETHER THE PERFORMANCE DATES ARE NEGOTIABLE TARGET DATES OR MANDATORY DEADLINES THAT MUST BE MET.].

1.8 Performance Measurements

The Department will use the following standards to determine satisfactory performance.

[INSERT HOW THE DEPARTMENT WILL DETERMINE SUCCESSFUL PERFORMANCE, SUCH AS TIMELY COMPLETION AND DELIVERY OF SERVICES; SATISFACTORY COMMUNICATION BETWEEN CONTRACT MANAGERS OF THE DEPARTMENT AND THE CONTRACTOR; PROMPT NOTIFICATION OF POTENTIAL DELAYS; ACCURATE AND TIMELY BILLING OR INVOICING; TIMELY SUBMISSION OF ACCURATE AND DETAILED PROGRESS OR FINANCIAL REPORTS.]

1.9 Conferences And Management Meetings

Prior to any on-site performance, the Contractor and the Department will meet to finalize the work plan. This work plan shall finalize the major tasks, responsible persons, timeliness and milestones that are identified in the RFP and the Contractor's original Proposal.

The Contractor is expected to schedule *[WEEKLY/MONTHLY]* briefings with the Department to discuss the status and progress in relation to the established work plan and milestones. At these meetings, the Contractor must present and discuss written programmatic and fiscal status reports detailing work performed (milestones), recommendations and performance issues.

1.10 Relevant Background Information for Procurement.

[INSERT ANY RELEVANT BACKGROUND, FINANCIAL OR HISTORICAL INFORMATION THAT WILL ASSIST BIDDERS IN DETERMINING THE TYPE AND SCOPE OF REV OPT SERVICES REQUIRED. CHARTS AND OTHER INFORMATION MAY BE REFERENCED HERE AND INCLUDED AS ATTACHMENTS.]

The Commonwealth's scheduled accounting periods are as follows:

Accounting Period	Month
01	July
02	August
03	September
04	October
05	November
06	December
07	January
08	February
09	March

10	April
11	May
12	June

2.0 PROCUREMENT TERMS AND CONDITIONS

2.1 Procurement Manager and Department Contact Person

The Procurement Manager and Department Contact Person for this RFP is: *[INSERT PROCUREMENT MANAGER HERE]* . The Procurement Manager will also serve as the Contract Manager under the Service Contract. All communications must be in writing, which includes receipt by mail, facsimile or electronic mail and directed to the attention of the Procurement Manager at the following address in accordance with the provisions outlined in this RFP:

INSERT NAME OF PROCUREMENT MANAGER HERE]
Procurement Manager
Department
[INSERT STREET ADDRESS HERE]
[INSERT CITY, STATE AND ZIP CODE HERE
[INSERT FAX NUMBER HERE]
E-MAIL: [*INSERT INTERNET E-MAIL ADDRESS HERE]*

The following RFP Reference Number and Title should be indicated on all correspondence and any Proposal submitted in response to this RFP:

[INSERT RFP REFERENCE NUMBER HERE]
INSERT TITLE OF RFP PROCUREMENT HERE]

2.2 Restrictions on Contact

From the date of the release of this RFP and until a contract is executed with the selected Bidder, all contacts concerning this procurement must be approved in writing by the Procurement Manager. Violation of this condition may be deemed sufficient cause for disqualification.

2.3 Execution of Standard Contract.

An authorized signatory of the Department and the Bidder must execute a Standard Contract (Attachment XXX) for any Service Contract awarded under this RFP. The scope of the Service Contract is limited to the information contained in the RFP and the Bidder's Proposal . Neither the Department nor the Contractor may add or change terms and conditions contained in either the RFP or the Contractor's Proposal, provided however, that clarification of the details or the parties' understanding of the interpretation of these terms and conditions is permissible. A Contract awardee may be disqualified if the Department determines that the Service Contract awardee is or unreasonably delaying the timely execution of the Service Contract or if the Service Contract awardee conditions execution of the Service Contract upon the Department's acceptance of additional or amended terms and conditions. If a Service Contract awardee is disqualified for any reason, the Department may award a Service Contract to the next ranked Bidder.

2.4 Bidders List

The Procurement Team shall keep a Bidders List for this RFP. The Bidders List shall include all prospective Bidders who have requested a copy of the RFP, individuals who attend the Bidder's Conference, Bidders who have submitted written questions, and anyone who requests placement on the Bidders List. Each Bidder is responsible for providing the Procurement Manager with its name, mailing address, telephone number and facsimile number. No potential Bidder shall have a right to further notice under this RFP except as provided in this section.

2.5 Bidders Conference

[OPTIONAL - IF DEPARTMENT WILL NOT HAVE CONFERENCE, DELETE THIS SECTION OF THE RFP.]

Prospective Bidders will be invited to attend a general information Bidders Conference where members of the Procurement Team will respond to questions regarding the RFP. Oral answers to questions presented at a Bidders Conference shall be binding unless the Procurement Team specifies at the Bidders Conference that only written answers distributed in response to posed questions shall be binding. If the Procurement Team chooses to distribute written answers to questions presented at a Bidders Conference, such answers shall be mailed or sent by facsimile to all Bidders on the Bidders List not less than five business days prior to the deadline for submission of Proposals.

The Bidders Conference will be held on:
[*DATE*]
[*LOCATION*]
[*TIME A.M./P.M.*].

2.6 Written Questions

Prospective Bidders are invited to submit written questions concerning this RFP or the submission of Proposals. Written questions will be accepted by the Procurement Manager by mail, facsimile or personal delivery at any time prior to [*INSERT DATE AND TIME HERE*]. Written questions received after this deadline will not be considered. Prospective Bidders shall be responsible for confirming actual receipt of written questions by the Procurement Manager. Written answers to the questions submitted shall be mailed or sent by facsimile to all Bidders on the Bidders List not less than five business days prior to the deadline for submission of Proposals

2.7 Oral Presentations

After the initial evaluation of Proposals, the Procurement Manager shall have the option to invite the top ranked Bidders to make Oral Presentations. Oral Presentations provide the Procurement Team with an opportunity to observe and evaluate a Bidder through the presentation of the Bidder's Proposal. The Procurement Manager may limit the number of Oral Presentations conducted. Bidders will not be informed of their rank at the time of the Oral Presentations

The time allotments and format of Oral Presentations shall be the same for all Oral Presentations, except that they may be scheduled at one of several locations or dates at the discretion of the Procurement Manager. The Procurement Manager may waive the location and medium requirements of an Oral Presentation upon the written request of a Bidder due to special hardships, such as a Bidder with disabilities or limited resources. In these circumstances the Procurement Team may conduct Oral Presentations through an alternative written or electronic medium (e.g., telephone, video conference, TTY, Internet). The Procurement Manager may require the Bidder's assigned key personnel to conduct the Oral Presentation.

A Bidder is limited to the presentation of material contained in its Proposal, with the limited exception that a Bidder may address specific questions posed by the Procurement Team or provide clarification of information contained in its Proposal. Any correction or modification of Proposal or the presentation of supplemental information shall be considered prejudicial to the interests of other Bidders and to fair competition and shall not be permitted. A Bidder's attempt to submit such corrections, modifications or supplemental information during an Oral Presentation may subject the Bidder's Proposal to disqualification.

2.8 Reasonable Accommodation

The Procurement Manager will provide reasonable accommodation, including the provision of informational material in an alternative format, for qualified Bidders with disabilities. Bidders requiring accommodation shall submit requests in writing to the Procurement Manager.

2.9 Amendment Or Cancellation Of Procurement

The Procurement Team may, at any time prior to the award of a Service Contract, and without penalty, amend this RFP or modify the procurement calendar as deemed necessary. The Procurement Team shall send by mail, facsimile or other electronic medium, notice of any such change to all Bidders on the Bidders list.

In the event it becomes necessary for the Procurement Team to make a significant change to the scope of this RFP, one which might result in encouraging additional Bidders to submit proposals, the Procurement Team shall have the option to amend the RFP and re-advertise the amendment in the same manner as the RFP was advertised, or in the alternative, cancel the RFP and begin a new procurement. If a major amendment is made after the deadline for submission of Proposals the Procurement Team will allow current Bidders to submit either new Proposals or amendments to currently submitted Proposals. The Procurement Team shall also allow submissions from new Bidders.

The Procurement Team may, at any time prior to the execution of a Service Contract, and without penalty, cancel the procurement and reject all Proposals when a fair and open competitive procurement has been compromised or when the Procurement Team determines that such action is in the best interests of the Department or the Commonwealth. The Procurement Team shall provide written notice of cancellation, including the rationale therefore, to all Bidders on the Bidders list.

2.10 Proposal Corrections

The Procurement Manager shall have full discretion to allow Proposal corrections. Bidders shall be accorded fair and equal treatment with respect to any opportunity for correction of minor informalities in a Proposal. Minor informalities are matters of form rather than substance and include clerical errors and minimal, insignificant mistakes that can be corrected without prejudice to other Bidders. Mistakes in Proposals which are clearly evident, such as typographical errors, transposition errors or arithmetical errors where the intended response is obvious, may at the Procurement Manger's option be corrected by the Bidder or waived. However, no correction of Proposal prices, terms and conditions or the submission of supplemental information prejudicial to the interests of other Bidders or to fair competition shall be permitted.

2.11 Disqualification of Proposals

Late Proposals. Proposals which are received after the deadline date shall be automatically disqualified. Late proposals, regardless of extenuating circumstances, may not be accepted for consideration by the Procurement Team for any reason.

Non-responsive Proposals. Proposals which are not responsive or which fail to comply with material requirements of the RFP shall be deemed non-responsive and shall be disqualified. Non-responsive proposals shall include, but not be limited to, those which fail to address or meet any required item and those submitted in insufficient number or in incorrect format.

Collusion. Collusion by two or more Bidders agreeing to act in a manner intended to avoid or frustrate fair and open competition is prohibited and shall be grounds for rejection or disqualification of a Proposal or termination of a Service Contract.

Debarred Bidders or Subcontractors. A Bidder who is currently subject to any state or federal debarment order or determination, including but not limited to Executive Order 147, M.G.L. c.29, §29F and M.G.L. c. 152, §25C shall be considered for evaluation by the Procurement Team. If a Bidder's Proposal is dependent upon the services of a named subcontractor and the disqualification of the named subcontractor would materially alter the Proposal, then that Proposal shall be deemed unresponsive if the named subcontractor is found to be debarred. Proposals which indicate that subcontractors will be used but do not rely on a named subcontractor shall not be deemed unresponsive if the disqualification of a proposed subcontractor will not materially alter the Proposal.

2.12 Press Releases

Bidders shall not hold any press conference, make news releases or announcements concerning its selection or non-selection for a Service Contract prior to the Department's public release of said information or prior to the written approval of the Procurement Manager.

2.13 Public Records

All Proposals and related procurement documents shall become the property of the Commonwealth upon receipt and shall be considered a public record under M.G.L. c. 4, §7 and M.G.L. c. 66, §10 at the conclusion of the competitive procurement process or upon execution of a Service Contract. Unless otherwise provided by law, written disclaimers by a Bidder, including the identification of trade secrets in a Proposal, shall provide no exemption of the Proposal from public release under this section. These records shall be retained by the Department for a period determined by the Records Conservation Board pursuant to M.G.L. c.30, §42.

3.0 PROPOSAL FORMAT AND SUBMISSION

3.1 Deadline for Submission Of Proposals

The deadline for submission of Proposals to the attention of the Procurement Manager is: *[INSERT DATE AND TIME HERE]* A facsimile or other electronic submission of a Proposal will not qualify as a "submission" for deadline purposes in advance of or in lieu of a hard copy submission. Prospective Bidders shall be responsible for confirming actual receipt of Proposals by the Department.

The Bidder agrees that the Proposal will remain in effect for at least 120 days from the submission deadline and thereafter until either the Bidder withdraws the Proposal in writing, a contract is executed or the procurement is canceled, whichever occurs first. The proposal acceptance period may be extended by mutual agreement of the parties. Notice of award is not acceptance of the Proposal submitted and shall not impose any contractual obligation upon the Commonwealth.

3.2 Joint Proposals Submitted by Multiple Bidders

Two or more Bidders may submit a joint Proposal. A jointly submitted Proposal must designate only one Primary Bidder and the remaining joint Bidders may be designated as subcontractors or as members of a joint venture. The Primary Bidder shall be legally responsible for ensuring full performance under the Service Contract.

3.3 Format

In order to simplify the review process and obtain the maximum degree of fair comparison, Bidders are required to organize their Proposals according to the designated format, in the same sequence as they are discussed, and with the same titles and numbered format as indicated in the sample illustration displayed in Section 3.5 of this RFP.

The presentation of data and information should be clear and readily identify references to attachments or other sections contained in the Bidder's Proposal. Proposals should provide a straightforward and concise description of the Bidder's ability to meet the requirements. The Department is not liable for any costs incurred by the Bidder in responding to this RFP. The use of recycled materials is encouraged.

3.4 Packaging Of Proposals

Bidders are required to submit *[INSERT NUMBER OF COPIES]* Proposal copies to the Procurement Manager:

[INSERT NAME OF PROCUREMENT MANAGER HERE]
Procurement Manager
Department
[INSERT FULL ADDRESS HERE]

The following RFP Reference Number and Title should be indicated on the cover letter of the Proposal submitted in response to this RFP:

[INSERT RFP REFERENCE NUMBER HERE]
INSERT TITLE OF RFP PROCUREMENT HERE]

The Proposal must be submitted in two separately sealed packages distinguishing Section A (Technical and Business Qualifications) and Section B (Budget and Costs). The two sections of the Proposal must be separately bound because these sections will be reviewed separately. Section A (Technical and Business Qualifications) will be reviewed, evaluated and ranked prior to the opening and review of Section B (Proposed Budget and Costs).

3.5 Table Of Contents

The Proposal must be presented in the numbered format and order illustrated below. All items must be specifically addressed or the Proposal may be deemed unresponsive. In the event information is unavailable or not applicable a Bidder must indicate this in the appropriate section of its Proposal.

4.0 PROPOSAL SECTION A: Technical and Business Qualifications
- 4.1. Firm Profile
- 4.2. Relevant Business Experience
- 4.3. Summary of Task Plan
- 4.4 Task 1: *[TITLE]*
- 4.5 Task 2: *[TITLE]*
- 4.6 Previous Experience With Other Commonwealth Entities
- 4.7. Contract Manager
- 4.8. Key Personnel
- 4.9. References
- 4.10. Statement of Financial Position
- 4.11 Authorized Signatories Of the Bidder
- 4.12. Subcontractors
- 4.13. Minority Contractors, Affirmative Action & Anti-Discrimination
- 4.14 Surety Bond Or Other Insurance Requirement
- 4.15 Professional Licensing And Tax Compliance
- 4.16 Corporate Certificates and Reports

5.0 PROPOSAL SECTION B: Proposed Budget And Costs
- 5.1. Proposed Budget And Costs

4.0 PROPOSAL SECTION A: TECHNICAL AND BUSINESS QUALIFICATIONS

4.1 Firm Profile

This section provides the Bidder with the opportunity to present a profile of their firm's operations and qualifications. Bidders are encouraged to provide an overview of the firm's business operations relevant to the requirements of this RFP.
Bidders shall outline the firm profile to include the following:

- Whether the firm is local, national or international;
- The total number of employees; distinguish between administrative staff, management and principal partners or officers;
- The location of the offices from which the work will be managed and the number of staff employed at the offices; and
- The total staff to be assigned to this Service Contract.

4.2 Relevant Business Experience

This section must state the number of years the Bidder has been in business providing these or similar services and the volume of business the Bidder currently conducts. The Bidder should list specific projects and contracts previously performed that is similar to the work to be performed pursuant to this Service Contract, or which otherwise demonstrates the Bidder's ability and capacity to perform the services required.

4.3 Summary of Scope of Service (Task Plan)

This section of the Proposal requires the Bidder to propose an overall, detailed approach to the performance of each of the tasks outlined in this section. The Bidder must also define and propose the technical, resources and administrative support that will be required from the Department in order to complete services. The Bidder should demonstrate an understanding of the tasks to be performed and an appreciation of the environment involved. Clarity and comprehensiveness in the proposed work plan, reasonableness of time frames, procedures and overall approach to accomplishing the goals of this RFP are important considerations.

The Bidder's Proposal must be presented in the following format when responding to this RFP. The Bidder must respond to each numbered section or the Proposal may be subject to disqualification.

4.4 TASK 1: *[TITLE]*

The Contractor will be expected to: *[THE FOLLOWING IS AN EXAMPLE, INSERT DETAILS OF EACH TASK TO BE PERFORMED BY THE CONTRACTOR HERE]*

- Bidders must describe how they propose to coordinate efforts with the Department to ensure minimal interruption of daily activities;
- Bidders must describe an overall approach, strategy and workplan;
- Bidders must describe how relevant data will be collected, monitored, analyzed and compared and the format in which it will be reported or presented to the Department. The approach, strategy and work plan should include the type of data to be collected and the approximate size of samples that will be reviewed;
- Bidders must describe the manual and automated capabilities and methods to be used;
- Bidders must indicate the number of staff or project teams that will be available or assigned to each task, including the proposed responsibilities for each assigned individual or project team and the proposed time schedules (hours, days, weeks). Bidders may present this in a narrative or chart form.
- Format for monthly programmatic and fiscal progress reports and final report.
- Bidders should identify in their approach to this evaluation and revenue Optimization effort, all recommended revenue Optimization initiatives and provide recommendations for proposed information technology enhancements

4.5 TASK 2: *[TITLE]*

INSERT DETAILS OF EACH TASK TO BE PERFORMED BY THE CONTRACTOR HERE]

4.6 Previous Experience With Other Commonwealth Entities

This section must identify previous similar business experience with other governmental entities (state, federal or municipal). The Bidder must also include a brief summary of all current Commonwealth contracts.

4.7 Contract Manager

The Bidder must designate a Contract Manager who shall be responsible for oversight and management of the performance of services and act as the contact person for receipt of all correspondence and notice under the Service Contract. The Contract Manager may be changed only upon prior written notice to the Department. Oral representations made by either party shall not be binding. Representations made by the Contract Manager for the Contractor or the Department shall be binding only if made in writing in accordance with the terms and conditions of the Service Contract and the Contract Manager is an authorized signatory for that party.

4.8 Key Personnel

This section provides the Bidder with the opportunity to present the qualifications, technical expertise and experience of the firm's key personnel who will be assigned to the performance of services. The Proposal must include a resume or a statement of qualifications for all key personnel.

Bidders must include a breakdown of the following:

- The responsibilities of all key personnel assigned listed in order of their positions of seniority and responsibility in the firm;
- The percentage of time that each key person will devote to this Standard Contract; and
- The level of responsibility or authority of each key person

For the purposes of this RFP, key personnel shall include the principals, partners, managers, and on-site supervisors who will be assigned to, and responsible for, the contract. All other staff will be considered support or administrative personnel. Key personnel assigned to the Contract must perform as designated except in the case of termination from the firm or other unavoidable circumstances. Bidders responding to this RFP shall be considered to have accepted this condition.

During the period of performance, key personnel may be removed by the Contractor only upon the prior written approval of the Department. A significant change in the key personnel listed in the Proposal prior to, or after, the execution of the Contract, which is unsatisfactory to the Department, shall be grounds for disqualification of the Proposal or termination of the Standard Contract. The Bidder is required to notify the Department immediately in the event of the unavailability of any key personnel.

Although key personnel shall be responsible for ensuring performance under the Service Contract, no Contractor or employee of a Contractor shall directly or indirectly supervise any employee of the Commonwealth. For the purposes of the contract "supervise" shall mean to direct the activities of a state employee on a continuing or comprehensive basis, by either direct, verbal or written communication from the Contractor to the employee, or by indirect communication through a third party.

4.9 References

In this section the Bidder shall list at least three business references. The references should be entities for which the Bidder has performed similar services, or services which otherwise demonstrate the Bidder's capability to perform the services under the Contract. Bidders will be required to use the form included as Attachment XXXX to list references. The Procurement Team shall have the right to verify all references included in a Bidder's Proposal and to conduct any other reference or credit checks as the Procurement Team deems appropriate. The Procurement Team may consider written references, including documented performance records of a Bidder on file at the Department or submitted to the Department during the procurement process.

4.10 Statement Of Financial Position

This section must demonstrate the financial stability of the Bidder. The Proposal must include copies of financial statements (audited or unaudited) for the most recent fiscal year of the Bidder for which the statements are available and demonstrate that the Bidder's organization is in sound financial condition, or that appropriate corrective action is being taken to resolve all identified financial problems. If audited statements are not available for the last fiscal year then the Bidder must provide a pro forma statement for that year.

Incomplete statements may result in disqualification of a Bidder's proposal. Bidders are required to know the nature of their audit opinions. A disclaimer of opinion, a review opinion, an adverse opinion, or a compilation report opinion will be grounds for rejection unless an unqualified opinion from a Certified or Licensed Public Accountant is provided prior to the award of the contract.

The Bidder's financial condition may be evaluated on any of the following conditions: the auditor has rendered an unqualified opinion; the organization has a positive net worth or fund balance (a for-profit organization must show an operating profit for the most recently completed year); current assets are greater than current liabilities; there has not been a multi-year trend of significant operating losses; there are no substantial tax liabilities; there has not been a sharp decline in the operating fund; there has not been a sharp decline in working capital; there has not been an excessive accumulation of accounts receivable or bad debts; there are no significant contingent liabilities (such as pending litigation, property liens, etc.); there are no significant negative variations in standard ratios as applied to the financial statements for the latest available period. The Bidder must disclose details of any criminal investigation, indictment or other litigation against the firm which might adversely affect its ability to complete its obligation pursuant to the RFP requirements.

4.11 Authorized Signatories Of The Bidder

This section must include an original or certified copy of proof of authorization for all authorized signatories. An authorized signatory is a legal representative who may execute contracts and legally bind a Contractor of the Bidder for this Service Contract. The documentation attached by a corporation, partnership or other entity should also include an example of the signature of the authorized signatory that the Department may use to compare with the signature which appears on the Service Contract. If the documentation submitted does not contain an example of the signature of the authorized signatory, the signatory will be required to have his/her signature notarized on the Service Contract. The type of documentation to be attached to the Service Contract should be as follows:

- Individual Contractors require only a notarized signature on the Service Contract.
- Corporations. A certified or true attest copy of a certification by the corporate clerk, with a corporate seal, or a certified or true attest copy of a board of directors vote stating that the signatory is authorized to execute contracts on behalf of the corporation. A corporate clerk who is also the President or authorized signatory may not self-certify as to authorized signatory status but submit documentation that has been independently notarized or certified.
- Partnerships. A certification or true attest copy of a certification or other documentation, by the general or principal partners, that the signatory is authorized to execute contracts on behalf of the Partnership.
- Other entities must attach a certification or true attest copy of a certification that the signatory is authorized to execute contracts on behalf of the Contractor.

4.12 Subcontractors

This section must identify all subcontractors, including a description of their qualifications, experience, number of staff and percentage of time that will be devoted to this Service Contract. Any subcontract entered into by a Bidder for the purposes of fulfilling obligations under this Service Contract must be authorized by the Department. A subcontract authorized by a Department shall not relieve the Contractor of any duty, obligation, responsibility or liability. Authorized subcontracts shall be in writing and contain provisions which are functionally consistent with and subject to the provisions of the Standard Contract.

4.13 Minority Contractors, Affirmative Action & Anti-Discrimination

Minority Contractors. It is the policy of the Commonwealth that small businesses, State Office of Minority and Women Business Assistance (SOMWBA) certified minority and women-owned businesses, and businesses or firms owned or controlled by socially or economically disadvantaged individuals or individuals with disabilities participate to the fullest extent practicable. Accordingly, large firms are encouraged to subcontract with small business enterprises, owned and controlled by socially or economically disadvantaged individuals, including women-owned and minority business enterprises.

Minority subcontractors under this section must be identified in the Proposal, including the percentage of services to be performed by the subcontractor(s). The Bidder may not replace such subcontractors without the prior written approval of the Department.

Evidence of certification as a small, minority or woman-owned business or individual must accompany the proposal. Appropriate assistance may be obtained by contacting:

- The State Office of Minority and Women Business Assistance (SOMWBA); (617) 727-8692
- The Small Business and Purchasing Program (SBPP); (617) 727-4005

Affirmative Action. Pursuant to Executive Orders 227, 237 and 246, any Contractor receiving a Contract or other financial benefit of $50,000 dollars or more shall be required to file an Affirmative Action Plan identifying its commitment to non-discrimination in employment and to procure goods, services and supplies from certified minority and women-owned businesses enterprises, businesses owned by individuals with disabilities, and businesses owned and controlled by socially or economically disadvantaged individuals. Proposals must be accompanied by the current approved Affirmative Action Plan for each participating firm.

Anti-Discrimination. Contractors and authorized subcontractors shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, religion, creed, disability, or sexual orientation. Contractors and authorized subcontractors shall comply with all relevant state and federal statutes and regulations prohibiting discrimination.

Contractors (employers) and authorized subcontractors shall comply with all relevant state and federal statutes and regulations prohibiting discrimination, including but not limited to, the American with Disabilities Act, 42 U.S.C 12101 et.seq., 28 CFR Part 35 or as amended; the Rehabilitation Act of 1973, 29 U.S.C. §791 et.seq; Executive Orders 227, 237, and 246; M.G.L. c. 151B; and M.G.L. c. 272, §92A and §98, and amendments to these provisions.

4.14 Surety Bond or Other Insurance Requirements

The Contractor must demonstrate at the time of execution of the Standard Contract that a surety bond in the amount of *[INSERT AMOUNT HERE]* has been secured to protect the Commonwealth against loss through failure by the Contractor, Subcontractor or their employees to remit all moneys when due. This bond shall be in the form approved by the State Treasurer and the surety company shall be authorized to do business in Massachusetts and shall remain in effect until ninety (90) days after termination of the Service Contract awarded pursuant to this RFP.

4.15 Professional Licensing and Tax Compliance

The Bidder must demonstrate that it possesses, or shall obtain, all requisite licenses and permits to complete performance under the Standard Contract. The Bidder must also certify that it is in compliance with all federal and state tax laws, including M.G.L. Chapter 62C, §49A. Bidders must obtain a Certificate of Tax Compliance in Good Standing from the Department of Revenue by submitting an application to:

Certificate Unit
Department of Revenue
215 First Street, 3rd Floor
Cambridge, MA 02142

The Corporate Officer should submit the application with $10.00 application fee (each additional copy $5.00). The application must list the tax type(s) for which the business is liable, these include such items as meals, room, occupancy, sales/use, withholding, corporate income and others as applicable. Include Power of Attorney, if applicable. Bidders should also indicate in their application that the certificate is sought in connection with a Commonwealth RFP and time is of the essence.

4.16 Corporate Certificates and Reports

The Bidder must certify that pursuant to M.G.L. Chapter 156B, §109 (business corporations), Chapter 180, §26A (non-profit corporations), Chapter 181, §4 (foreign corporations) and Chapter 12, §8F (public charities), it has filed all certificates and reports with the Secretary of State and the Attorney General's Office.

5.0 PROPOSAL SECTION B: PROPOSED BUDGET AND COSTS

5.1 Proposed Budget and Costs

The Service Contract awarded pursuant to this RFP will be a performance based, contingency fee contract. For the purposes of this RFP, the Department's obligation to make payments to the successful Contractor shall be contingent upon the Contractor's performance of the services outlined in the Service Contract, as described in the Scope of Services section of the RFP.

The Department has not been appropriated funding for this Service Contract. Any payments to the Contractor shall be paid from the maximized revenues during the period beginning on *[DATE]* and ending on *[DATE]*.

Notwithstanding the provisions of payments as set forth for maximized revenues in this section, in no event shall the Contractor be paid an amount which exceeds *[AMOUNT]*.

Any payments to the Contractor shall be calculated as a contingency fee percentage of the maximized revenues during the *[PERIOD]*. In developing the Cost Proposal in its response, the Bidder should:

1. Develop an estimated maximum fee for the cost of providing the various services under the contract, and then calculate and submit a Cost Proposal in the form of a percentage of anticipated maximized revenues;
2. Include a breakdown explaining how the percentage has been developed, including, but not limited to, a schedule of the estimated actual costs that may be incurred by the Contractor in the performance of the contract. The estimated actual costs may include staff hourly rates, the amount of time devoted to completing each deliverable, and administrative, support and material costs. The Contractor will not be reimbursed for any actual costs or expenses incurred. These figures are requested only to assist the Department in calculating the estimated value of the services to be provided by the Contractor. Bidders may propose a graduated percentage contingency fee for meeting certain maximized revenue thresholds for example:

- Y% of every dollar of maximized revenues collected up to and including the $100,000th dollar of maximized revenue, ($1,000)
- X% of every dollar of maximized revenues collected exceeding 100,000 dollars up to and including the $200,000th dollar of maximized revenue; ($3,000)
- Y% of every dollar of maximized revenues collected exceeding 200,000 dollars up to and including the $300,000th dollar of maximized revenue; ($5,000)
- Z% of every dollar of maximized revenues collected exceeding $300,000 dollars. (if $100,000 collected could be = $10,000)

Bidders are encouraged to propose alternative contingency fee scenarios from which the Department may choose and should include any other information or recommendations relevant to the Cost Proposal.

The Department will withhold ten percent (10)% of each payment due to the Contractor to ensure satisfactory and timely completion of all services described in the Service Contract, including the timely submission of programmatic and fiscal reports. All deadlines described in this RFP are considered "of the essence" and the Contractor will be considered in breach of contract for failure to meet these deadlines. The Department may revoke any amounts withheld under this Section as a condition of completion of the Service, in the event the Contractor fails to meet any of the deadlines. This revocation of payments will in no way limit any other legal or equitable remedies of the Department may have in the event of breach.

Payment schedules shall be negotiated by the Department and the Contractor, based upon recommendations submitted in the Bidders Cost Proposal which shall be subject to the following prerequisites:

1. The Department is not authorized to make any payments to the Contractor prior to the collection of revenues, as confirmed on the Massachusetts Management Accounting and Reporting System (MMARS), of at least the minimum base revenue amount of [$ INSERT AMOUNT HERE] during the contract period.
2. Acceptance by the Department of each specified deliverable, including programmatic and fiscal reports, as outlined in a schedule to be included as part of the contract awarded pursuant to this RFP.